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THE MONOPOLISTIC STAGE OF CAPITALISM — IMPERIALISM

Monopolisticheskaya stadiya
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L. A. Leont'yev,
 Corresponding Member,
 Academy of Sciences USSR

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THE MONOPOLISTIC STAGE OF CAPITALISM -- IMPERIALISM

I. THE TRANSITION TO THE MONOPOLISTIC STAGE OF CAPITALISM,

THE LENINIST THEORY OF IMPERIALISM

In shaping the revolutionary theory of scientific communism, Marx and Engels revealed the laws governing the development of human society. In Das Kapital Marx studied the production relations of capitalist society in their origin, development, and decline and scientifically proved the inevitability of the destruction of the bourgeois order and the victory of the socialist revolution of the proletariat. The founders of Marxism subjected to scientific analysis the contemporaneous premonopolistic capitalism. However, in the course of the last third of the nineteenth century a number of new phenomena arose and gradually took on decisive importance in the economic and political life of the well developed capitalist countries.

The action of the law of concentration and centralization of capital led to the formation of industrial monopolies occupying the command positions in the economy of the capitalist countries. The concentration of banking and credit affairs converted banks into all-powerful financial centers concentrating vast masses of capital in their hands. As a result of the concentration of production, of the appearance of monopolies, and of the coalescence of banks and industry, finance capital arose and occupied a dominant position in the capitalist countries. A financial oligarchy, the magnates of finance capital, seized an unprecedented amount of power in all fields of the economic and political life of bourgeois

society. It subordinated to itself the apparatus of the bourgeois state.

As world trade increased, a new phenomenon characteristic of the era of monopolies arose and took on tremendous importance, namely the export of capital. On this basis developed the relations of the financial exploitation of the majority of the world's population by a financial oligarchy of a few usurer countries. After establishing their limitless domination in the domestic market, the largest monopolies began to divide the world market among themselves. That is how the international cartels, whose activity meant the economic division of the world, were formed. At the same time, during the last fourth of the nineteenth century, the territorial division of the world among the colonial powers was completed, and the bitter struggle for the forceable repartition of the world became the order of the day.

In 1917 Lenin wrote:

"World-wide capitalism has come at the present time, approximately since the beginning of the twentieth century, to a degree of imperialism. Imperialism, or the era of finance capital, is a highly developed capitalistic economy wherein monopolistic unions of capitalists, that is, syndicates, cartels, and trusts, have acquired decisive importance. Bank capital of tremendous concentration has fused with industrial capital. The export of capital to foreign countries has developed to a very great extent. The entire world has already been divided territorially among the richest countries, and the economic division of the world among the international

trusts has begun" (V. I. Lenin, Soch., [Collected Works], Vol 24, page 421).

The transition from the old premonopolistic capitalism to imperialism was prepared by the entire progress of the development of capitalism, its productive forces and production relations, and its insoluble and ever intensifying contradictions.

Economic eras, Marx pointed out, differ not according to what is being produced, but according to how it is being produced, by what means of labor. During the comparatively short period of time during which the bourgeois order has existed the techniques of production have taken a greater leap than during all the preceding centuries.

The last third of the nineteenth century was marked by major technical shifts. The introduction of technical innovations contributing to the development of new production methods took place on an especially wide scale after the depression of 1873.

In metallurgy new methods of smelting steel appeared, demanding the transition from the previously predominant small scale semihandicraft shops to large scale steel casting and metal working plants.

The invention of aniline dyes, the use of potash salts as fertilizer, and the discovery of highly productive methods of producing sulfuric acid and soda created the prerequisites for a modern large scale chemical industry. Chemical methods began to be used on an ever wider scale in the most diverse branches of production.

The last third of the nineteenth century was also marked by a large number of discoveries and inventions in the design of motive mechanisms for industry and transport. These included the invention of the dynamo, the 4-cycle internal combustion engine, the steam turbine, the diesel motor, automobiles with internal combustion engines, internal combustion locomotives, and the airplane.

The power of electricity became a mighty motivating force in technical development. This was revealed particularly after it became possible to transmit electricity for great distances and to find means of using electricity to process metals, such as electrical welding, electrosmelting of steel, the electrolytic method of obtaining aluminum, etc. The electric cutting machine, motion pictures, and wireless telegraphy appeared.

As is well known, the adequate basis for the capitalistic means of production is a large-scale machine industry. The development of the technique of production could not fail to lead to major changes in the structure of capitalist industry.

In the middle of the last century the predominant role in capitalist industry belonged to the textile branches. These branches were distinguished by a relatively small organic structure of capital. In the textile industry expensive construction played a comparatively insignificant role, whereas the expenditures for manpower had a high proportion. After the world-wide depression of 1873 which resulted from overproduction, heavy industry, primarily metallurgy and machine building, took first place in world-wide industrial

production. Its proportion and importance have been increasing rapidly.

In 1870 the amount of steel smelted in the world was 500,000 t, but by 1900 it was already 28 million t. In other words, the amount of steel smelted in the world increased 56 times in 30 years.

The increase in steel smelting was closely linked with the rapid development of machine building. Special properties of wood, such as hardness and resiliency, made it the most suitable material for creating those machines which formerly could not be built at all. Thus there was a gigantic expansion in the opportunities of machine building.

The growth of the machine industry was accompanied by a rapid development of railroad transport. In 1835, 10 years after the construction of the first railroad, there was a total of 2,500 km of railroad tracks in the entire world, in 1870 more than 200,000, in 1875 about 300,000, and in 1910 more than a million km. Sea and ocean transport also increased. Minerals, including iron and coal, petroleum and gold, copper and lead, began to be mined in unprecedented quantities. The world-wide production of coal, which constituted 82 million t in 1850 and 344 million t in 1882, topped a billion t at the beginning of the twentieth century.

The volume of world-wide industrial production increased 3 times from 1870 to 1900, and 5 times from 1870 to 1913.

In the middle of the last century the overwhelming bulk of enterprises was made up of private property of individual

capitalists. The number of joint stock companies was still insignificant. The owners of the numerous, comparatively small, fragmentary enterprises carried on a competitive struggle with one another for the sale of their goods. The reduction of production costs which made it possible to lower the prices of goods was one of the most important types of weapons in that struggle. Such was the picture during the 18'0's and 1870's, when free competition reached its highest development. The world depression of 1873 swept from the face of the earth a large number of fragmentary, small scale and medium enterprises. This depression gave a strong impetus to concentrating and centralizing capital on a previously unheard-of scale.

Factories and plants have grown up, and there the labor of man, aided by machines, produces vast quantities of goods. In the most highly developed countries the first place was taken by large scale and gigantic enterprises, each of which has expensive structures and equipment valued at tens and hundreds of millions of dollars, francs, marks, etc. Vast cities with a population of a million persons appeared and the number of hired workers increased to a gigantic extent. At the same time there was an extraordinary intensification of the general lack of organization, the chaotic nature, and lack of planning of capitalist production. The concentration of production and capital and the growth of the organic structure of capital expressed the development of the principal contradiction of bourgeois society, namely the contradiction between the social nature of production and the private capitalist form of appropriation. The depressions caused by overproduction became more and more frequent and more and more destructive.

At the same time the exploitation of labor by capital, the precariousness of existence, and the poverty of the masses of the people reached an unprecedented scale. In 40 years, from 1850 to 1910, the population in the US increased 4 times, the number of workers 7 times, the volume of raw materials processed 22 times, but the value of fixed capital in industry increased 33 times. The increase in the number of workers regularly outstripped the total growth of population in other bourgeois countries as well. In other words, an ever greater part of the population was converted into the hired slaves of capital and the field of capitalist exploitation became wider and wider. There was a systematic increase in the individual output per worker engaged in production. Together with the increasing of individual output through the increase of the degree to which the workers were armed with the technical facilities of production, there was a steady increase in the overexertion of the worker, the intensification of labor draining all the strength of the worker. Finally the increase of fixed capital to a tremendous degree outstripped the increase in the number of workers. In the US, for example, it occurred almost 5 times faster. This reveals the increase in the organic structure of capital, as a consequence of which an ever growing part of the hired workers became excess, filling the ranks of the reserve army of the unemployed.

Thus, the intensification of the principal contradiction of capitalism, which is the inevitable consequence of the development of bourgeois production relations, found its expression on the one hand in the increased anarchy of production and on the other hand in the deepening of the class

contradictions between the proletariat and the bourgeoisie.

The transition to imperialism was prepared by the entire course of the spread of capitalism through the world, as a result of which the capitalist system of world economy was formed, with its characteristic insoluble contradictions.

Whereas during the first half of the nineteenth century capitalism had encompassed only a few, most highly developed countries of Western Europe, during the second half of the same century the picture changed markedly. In a number of countries, Germany, Italy, Russia, the US, and Japan, the most important obstacles in the way of bourgeois development were swept out of the way. In 1861 serfdom was abolished in Russia. In the United States of America the slavery of Negroes was officially abolished after the Civil War of 1861-1865 between the northern and southern states. After the bourgeois revolution of the 1860's and 1870's capitalism began to develop quickly in Japan. In western Europe the small scale, fragmentary states and feudal principalities united in major national states. From 1859 to 1860 Italy, which previously had disintegrated into a number of pigny states with independent troops, different laws, custom regulations, measures, and currencies, was reunited. In 1871 the creation of the German state headed by militaristic and absolutistic Prussia was completed. All these were events which in different countries contributed in different ways to the growth and expansion of capitalist relations.

Until the last third of the past century the industrially most highly developed country was the oldest bourgeois country,

England. England had an uncontested monopoly in world-wide industry production and was predominant in the world market. As late as the beginning of the 1870's England produced more fabric, cast iron and steel, and coal than the US, Germany, France, Italy, Russia, and Japan, taken together.

During the last third of the nineteenth century the industrial map of the world changed fundamentally. The young countries of capitalism, primarily the US and Germany, rapidly created their own large scale industry. As early as the 1890's the US had become the largest industrial power in the world. By the beginning of the twentieth century Germany was becoming the largest industrial power in Europe. Russia and Japan went quickly along the path of industrial development. The monopolistic position and industrial primacy of England had finally become a thing of the past. There arose a number of new bourgeois states, Germany, Japan, and Italy, which began to fight energetically for a "place in the sun."

In addition to the growth of capitalism there was also a change in the very nature of its development. Whereas formerly, during the premonopolistic era, capitalism had developed more or less smoothly without any special spurts or catastrophes, now this relatively smooth development was replaced by an extremely uneven and spasmodic development fraught with conflicts and catastrophes. The unevenness of the development of capitalism took on a critical catastrophic nature. The struggle for the repartition of the world and for spheres of influence made inevitable the bloody and destructive wars among the imperialistic states.

The former premonopolistic capitalism reached the highest point of its development in the 1860's and 1870's. The Paris Commune of 1871, the first attempt in history to establish the dictatorship of the proletariat, was a fearsome portent to the bourgeoisie of the future destruction of bourgeois domination.

The historically transient nature of the capitalist order, which had become a brake to the further progress of human society, began to emerge more and more sharply. The inevitability of the destruction of capitalism under the pressure of the insoluble contradictions rending it began to be more and more graphically confirmed by life. The proletarian revolution, carrying the liberation of society from the shackles of capitalism, became the immediate necessity of the new era.

Describing the period from 1871 to 1914 Lenin pointed out that it was an "era of the complete dominance and decadence of the bourgeoisie, an era of the transition from progressive bourgeoisie to reactionary and still more reactionary finance capital" (V. I. Lenin, Soch., Vol 21, page 126). Capitalism, which up until the end of the nineteenth century developed along an ascending line, during the era of imperialism became a dying capitalism carrying to mankind unheard-of trials and disasters.

The boundary between the nineteenth and twentieth centuries was at the same time the boundary between old capitalism and imperialism in Europe. At the end of the nineteenth and the beginning of the twentieth centuries capitalism had finally

grown into the highest and last stage of its development, imperialism. It is necessary however to keep in mind the Marxist truth that all boundaries in nature and society are arbitrary and movable. Therefore "it would be absurd to argue, for example, about what year or decade marks the 'final' establishment of imperialism" (V. I. Lenin, Soch., Vol 22, page 254).

The whole combination of new phenomena which characterizes the monopolistic stage in the development of capitalism authoritatively demanded scientific analysis on the part of Marxists. The transition to imperialism created a new historical situation for the class struggle of the proletariat for socialism.

The theoreticians and leaders of the Second International which existed before World War I betrayed socialism. In every way, in order to please the bourgeoisie, they concealed the true essence of imperialism, poisoned the working class with the venom of lack of faith in its strength, and shoved the workers' movement onto the pernicious path of conciliation with the vilest enemy of the proletariat, the aggressive imperialistic bourgeoisie. Open enemies of Marxism from among the theoreticians of the Second International demanded that the basic tenets of Marxism be replaced by the false and antiscientific concoctions of bourgeois science. Opportunists speaking from behind the mask of "orthodoxy" attempted to convert Marxist doctrine into a pile of ossified and decrepit dogmas which were incapable of answering the problems posed by the new historic era.

In the merciless struggle against the opportunism of the Second International the founder and leader of the KPSS [Kommunisticheskoy partii Sovetskogo Soyuz — Communist Party of the Soviet Union], V. I. Lenin, raised high the banner of creative Marxism. Marxism as the science of the laws governing the development of nature and society cannot fail to be enriched with new experience and new knowledge corresponding to the new historic tasks of the proletariat. In the decisive struggle against the enemies of Marxism who attempted to convert it into dogma incapable of development, Lenin, the great continuer of the work and doctrine of Marx and Engels, enriched Marxist science with discoveries of world-wide historic importance. The basis of those discoveries was Lenin's analysis of imperialism as a new and higher stage in the development of capitalism, a stage which is the forerunner of the social revolution of the proletariat. At the same time that the opportunists were attempting to grasp at individual tenets of Marxism which had already become obsolete and to convert them into dogma in order to restrain the further development of Marxism and to disarm the proletariat in its struggle against the bourgeoisie, Lenin, the brilliant theoretician of Marxism, enriched the theory of scientific communism with a generalization of the gigantic experience of the class struggle of the proletariat under changed historic conditions.

In his work Imperialism, kak vysshaya stadiya kapitalizma [Imperialism as the Highest Stage of Capitalism] and in a number of other works dedicated to characterizing imperialism, Lenin for the first time in Marxist literature revealed the true

nature and essence of the changes which had taken place during the course of the development of capitalism. Thus Lenin creatively solved the problems which the new stage in the development of capitalism posed before the working class and its immortal theory of scientific socialism.

The scientific generalization of the vast amount of historical material led Lenin to the conclusion that during the half century which had passed since the appearance of Marx's Das Kapital, bourgeois society had entered a new stage in its development.

The Leninist theory of imperialism shows that the monopolistic stage is on the one hand an inevitable result of the development of capitalist society and that it is engendered by the action of the economic laws governing the development of capitalism. On the other hand this stage has a number of extremely fundamental peculiarities distinguishing it from the preceding stage in the life of bourgeois society. In order to understand the processes taking place deep within modern capitalism it is necessary to know the laws revealed by Lenin in the works which he dedicated to studying monopolist capitalism and to analyzing the overall crisis of capitalism.

Lenin studied the basic economic characteristics of the monopolist stage of capitalism. He was the first to show that this is a matter not of separate unconnected phenomena but of a single chain of changes comprising a single indissoluble whole. He discovered the connection and interrelation of the principal economic peculiarities of imperialism. Thus he was the first to reveal the true nature and essence of the shifts

which had taken place in the course of the development of capitalism.

Lenin was the first to subject to scientific analysis the new economic relations characteristic of monopoly capital. Guided by the Marxist method of materialistic dialectics in the sphere of production, Lenin discovered the basis of these relations in the changes which had taken place in the sphere of production, namely the concentration of production and the transition from the dominance of free competition to the dominance of monopolies.

Lenin's analysis of imperialism to a tremendous degree enriched the very method of materialistic dialectics, particularly as applicable to political economies. The scientific analysis which Lenin made of the economic categories of monopoly capital reveals the true nature of the processes taking place in the economic life of the modern bourgeois society. The logical development of these categories in Lenin's theory of imperialism corresponds to their historic development in true reality and reproduces a tremendous amount of specific historical material.

Unmasking the groundlessness of the assertions of bourgeois and social-democratic theoreticians, Lenin proved that imperialism is not only a characteristic peculiarity of the foreign policy of capitalistic powers. Actually this very trend in the foreign policy of imperialistic powers is the result of the essential changes which had taken place in the economic basis of bourgeois society. It is precisely these changes, at the basis of which lies the dominance of monopolies,

which cause the very bitter struggle between the powers, a struggle which inevitably leads to armed conflicts on an unheard-of scale. Hence the conclusion evolved that there is just one path to save humanity from destruction in the fire of wartime catastrophes. That is the path of eliminating imperialism, the path of destroying capitalist-hired slavery, the path of the proletarian revolution.

The transition to imperialism meant the deepening and intensification of all the contradictions of bourgeois society to an extreme degree and the rise of new and critical antagonisms. Imperialism grew, Lenin pointed out, as a development and a direct continuation of capitalism in general, but at the monopolistic stage of capitalism certain basic properties of capitalism began to develop into their own antithesis.

Relying upon the principal tenets of Marx's Das Kapital, Lenin, in his classical work Imperialism, kak vysshaya stadiya kapitalizma, which is an outstanding contribution to the treasure chest of creative Marxism, gave the most thorough scientific analysis of imperialism as a new and higher stage in the development of capitalism, a stage which is the forerunner of the social revolution of the proletariat. In this work Lenin completely revealed the principal laws and insoluble contradictions of imperialism, its cancers, and the conditions for its inevitable destruction.

Lenin constructed his analysis of imperialism on the solid foundation of the analysis which Marx made of the bases of capitalism in Das Kapital. Lenin's work on imperialism is a direct continuation of Marx's principal work. Lenin showed

that imperialism is the highest and last stage in the development of capitalism, the era of its decay and downfall.

Lenin created his principal work about imperialism during World War I, in 1916. In the foreword, written after the overthrow of tsarism, Lenin turns the attention of his reader to the fact that the work on the book was done with a consideration of tsarist censorship, as a result of which he had to limit himself exclusively to a theoretical, particularly economic, analysis and also to formulate the few necessary remarks relative to politics with extreme caution, resorting to the Aesopian language which tsarism forced the revolutionaries to use when they wrote for the legal press. Under these conditions Lenin made the following statement:

"About the fact that imperialism is the forerunner of the socialistic revolution, about the fact that social chauvinism (socialism in words, chauvinism in fact) is a complete betrayal of socialism and a complete transition to the side of the bourgeoisie, and that this schism of the workers' movement is connected with the objective conditions of imperialism, etc, I had to speak in 'slave's' language and I was forced to refer the reader interested in this problem to a soon-to-be-published reprint of my foreign articles of 1914-1917" (V. I. Lenin, Soch., Vol 22, page 175).

Hence it is clear that Lenin's works during the period of World War I which were printed in the foreign party press are of tremendous importance for an understanding of Lenin's theory of imperialism. These works are a direct and immediate supplement of the work, Imperialism, kak vysshaya stadiya kapitalizma.

This applies primarily to such works as Sotsializm i vojna [Socialism and War], "Imperialism and the Schism of Socialism," O prave natsiy na samoopredeleniye [The Right of Nations to Self-Determination], "The Motto of the United States of Europe," and "The War Program of the Proletarian Revolution." These works constitute an inseparable part of Lenin's research on imperialism.

It is well known that the KPSS, headed by Lenin, from the very beginning of World War I gave an accurate Marxist definition of its nature and showed what the attitude of the working class should be toward the imperialist war. In the numerous party decisions and documents worked out with the closest participation and under the direction of Lenin, there was a clear characterization of the position of the KPSS in the complex situation created by World War I.

Let us recall some of Lenin's works of 1914-1915.

In the program article, "The Status and Tasks of the Socialist International," which appeared in November 1914, Lenin wrote: "This is an imperialistic war, that is, a war in the era of the most highly developed capitalism, the era of the end of capitalism" (V. I. Lenin, Soch., Vol 21, page 22).

In his famous work Sotsializm i vojna, written in the summer of 1915, before the Zimmerwald Conference, the unmasking of the imperialistic nature of war is given on the basis of a developed characterization of imperialism as the highest and last stage in the development of capitalism, a stage reached only in the twentieth century. Emphasis is made here

of the development of capitalistic concentration which led to the seizure of whole branches of production by syndicates, trusts, and unions of capitalist billionaires, and to the division of almost the entire world among these bosses of capital, and here Lenin concludes: "Capitalism grew from progressive capitalism into reactionary capitalism, it developed its productive forces so much that mankind had either to change over to socialism or to experience for years or even decades an armed struggle of the 'great' powers for the artificial preservation of capitalism by means of colonies, monopolies, privileges, and national oppressions of every sort" (Ibid., page 273).

In the same brochure there is a table showing the division of the world among the "great" powers. With small changes this table went into the work Imperializm, kak vysshaya stadiya kapitalizma.

In August 1915 Lenin wrote Proyekt rezolyutsii Tsimmernval'dskoy levoy [Draft Plan of the Resolution of the Zimmerwald Left]. In the very first chapter of that document it is emphasized that war is engendered by imperialism, a new stage and the highest which capitalism has reached in its development. Pointing out further that the productive forces of society and the extent of capital under modern conditions have outgrown the narrow confines of national states, Lenin reveals the striving of the "great" powers to enslave other nations and to seize colonies as sources of raw material and spheres for the use of exported capital.

Among Lenin's works which were published during World War I in the illegal and foreign party press, the articles, "The Motto of the United States of Europe" (August 1915) and "The War Program of the Proletarian Revolution" (September 1916), are of special importance. In these works there was formulated for the first time the brilliant conclusion of the possibility of the victory of socialism in one country taken separately, a conclusion which is a most important result of Lenin's research on imperialism.

If it were necessary to give the briefest definition of the new stage in the development of capitalistic society, Lenin pointed out, it would be possible to define it as monopolistic capitalism. The free competition which prevailed at the pre-monopolistic stage of capitalism inevitably gives birth to the competition of production, and this latter at a certain stage of its development inevitably gives birth to monopolies. The dominance and oppression of monopolies encompasses decisive spheres of economic life. The power of the monopolies manifests itself in the field of production, trade, and credit. New phenomena in the life of capitalist society are nothing else but different forms of the manifestation of monopolies. Monopolies seize raw material markets, sales markets, and spheres for applying their capital. Monopolies strive to seize entirely in their hands scientific cadres, skilled manpower, transport, etc. There is not a single field of economic life where the tentacles of monopolistic octopuses have not penetrated. The dominance of monopolies means a striving to guarantee a monopolistically high, maximum profit. The obtaining of monopolistically high profit by monopolies

evolves from the very essence of imperialism and is guaranteed, as Lenin pointed out, by the unprecedented intensification of the exploitation of the working class by monopolies, the plundering of the peasantry and other small scale goods producers, the export of capital to backward countries, the sucking out of all the vital juices from those countries, colonial seizures, and the imperialistic wars which are a goldmine for monopolies. In Lenin's classic remarks on the replacement of free competition by the dominance of monopolies and on the basic methods of monopolies, the initial premises of the principal economic law of monopolistic capitalism were revealed in their essence. Relying upon these initial premises of Lenin, Stalin formulated the basic economic law of modern capitalism.

Monopolistic capitalism demands the maximum of profit necessary for carrying out a more or less regularly expanded reproduction. It is precisely this maximum profit which is the motivating force of monopolistic capitalism. The principal economic law of imperialism lies in the guaranteeing of the maximum profits of the monopolies.

The basic economic law of imperialism reveals the entire process of its contradictory development, explains its crying cancers and antagonisms, and lays bare the roots and causes of the aggressive policy of the imperialistic states. The action of this law manifests itself in all aspects of the life of modern monopolistic capitalism and in all economic categories of imperialism.

In his classic work, Imperialism, kak vysshaya stadiya kapitalizma, Lenin teaches that imperialism is a dying capitalism, but in no way does this mean that capitalism itself will perish on the vine and die out without the revolution of the proletariat. Therefore, defining imperialism as dying capitalism, Lenin at the same time characterizes imperialism as the forerunner of the social revolution of the proletariat. The last historical stage in the era of imperialism is, as Lenin pointed out, the period of the overall crisis of capitalism, the period of the revolutionary destruction of the bourgeois order.

Lenin revealed the inevitability of the intensification of capitalistic oppression during the era of imperialism, as a consequence of which the indignation of the proletariat increases in the capitalistic countries and elements of revolutionary explosion increase. Furthermore, during the era of imperialism there is an intensification of the revolutionary crisis in the colonial and dependent countries in which the national liberating movement spreads and elements of the liberating war against imperialistic oppression increase. Finally, during the era of imperialism the intensification of the unevenness of the development of capitalist countries, their struggle for sales markets, sources of raw materials, spheres for the application of capital, and the struggle for colonies and spheres of influence make inevitable the periodic imperialistic wars for the repartition of the world. These wars weaken imperialism and aggravate its contradictions.

Just as Marx worked out his economic doctrine in the irreconcilable struggle against the bourgeois apologetics and reactionary petty bourgeois criticism of capitalism, Lenin worked out the theory of monopolistic capitalism in the decisive and merciless struggle not only against the open defenders of imperialism but also against the enemies of the working class who dressed themselves in the toga of its friends. Lenin's theory of imperialism developed and became strong in the struggle against the traitors to socialism in the camp of the Second International, against renegades of the type of Kautskiy, their followers and yes-men Trotsky and Bukharin, and other vile enemies of socialism and the working class.

Lenin pointed out that in the present-day historic era it is necessary, proceeding from the revolutionary spirit of Marxism and from the method of Marxist materialistic dialectics, to reject a number of tenets which divided the founders of Marxism under the conditions of the previous historic era and to replace them by new tenets evolving from the changed historic conditions.

Marx and Engels, living during a period of premonopolistic capitalism, thought that the socialist revolution must be victorious simultaneously in all or at least in the majority of capitalist countries. But the transition from premonopolistic capitalism to imperialism made essential changes in the conditions of the proletariat's struggle for socialism.

World War I revealed the incurable diseases and weaknesses of the world-wide imperialistic front. The law of the unevenness of the economic and political development of

capitalist countries during the period of imperialism, a law which was discovered by Lenin, predetermines that the proletarian revolution will ripen at different times in different countries. Lenin, replying upon his analysis of imperialism, came to the conclusion that under the new historical conditions the socialist revolution is quite able to be victorious in one country taken singly, since the simultaneous victory of the socialist revolution in all countries or in the majority of civilized countries is impossible in view of the unevenness of the ripening of the revolution in those countries.

This was the new and complete theory of socialist evolution which Lenin created on the basis of the Marxist analysis of imperialism. This theory did much to advance Marxism as the science of the laws governing the development of nature and society, the science of the revolution of oppressed and exploited masses, the science of the victory of the socialist revolution in all countries, the science of the construction of a communist society. The new and complete Leninist theory of the socialist revolution gives the proletariat of the individual countries a revolutionary perspective, releases their initiative in the cause of making an onslaught on the bourgeoisie in their own country, teaches the working class to use the favorable situation for that onslaught, and strengthens the faith of the workers in the victory of the proletarian revolution. Lenin's theory of socialist revolution was a guide to action in the October Socialist Revolution in Russia, the greatest revolution in the history of mankind.

The new theory of socialist revolution which was created by Lenin not only greatly enriched Marxism but also posed in a new way, on a more concrete and practical plane, the problem of the inevitable destruction of capitalism. Even Marx foresaw the inevitability of the transitional period from capitalism to communism and emphasized that during that period the state could not be anything but a revolutionary dictatorship of the proletariat. In the light of Lenin's discovery of the impossibility of the simultaneous victory of socialism in all countries and the possibility of its victory in individual capitalist countries it became clear that the transition from capitalism to communism fills up an entire historical era.

World War I and the Great October Socialist Revolution in the USSR signified the advent of the era of the overall crisis of capitalism, that is, the era of its destruction.

This was the era of the destruction of capitalism and the victory of communism, full of civil struggles and internal conflicts, the era of the construction of a new world in some countries and of feverish attempts of the bourgeoisie to save the historically doomed order of hired slavery in the rest of the world. This was the era of the existence of 2 systems, victorious and progressing socialism and dying capitalism.

"The social revolution," Lenin wrote, "cannot occur except in the form of an era uniting the civil war of the proletariat and the bourgeoisie in the advanced countries and a large number of democratic and revolutionary, including national liberating movements in the undeveloped, backward, and oppressed nations.

"Why? Because capitalism develops unevenly and objective reality shows us, in addition to highly developed capitalistic nations, a large number of nations which are very weak and completely undeveloped economically" (V. I. Lenin, Soch., Vol 23, page 48).

Lenin's theory of imperialism and the overall crisis of capitalism is of great importance for the entire activity of the KPSS and for the revolutionary struggle of the working class in all countries. It is sufficient to recall that the most important tenets of Lenin's theory of imperialism and the overall crisis of capitalism formed the basis of the program of the KPSS, which was adopted by the Eighth Party Congress in 1919. The new part of the theoretical division of the program which Lenin wrote then reproduces the basic conclusions of the scientific analysis of monopolistic capitalism which evolved from the work, Imperializm, kak vysshaya stadiya kapitalizma.

As is well known, the theoretical division of the program of the KPSS at first reproduces the general characterization of the nature of capitalism and bourgeois society which had been made in the old party program which had been adopted by the Second Congress of the RSDRP /Rossiyskaya sotsial-demokraticheskaya rabochaya partiya — Russian Social-Democratic Workers' Party/ in 1903. Then there is given a compact and brilliant characterization of the changes which marked the transition from premonopolistic capitalism to imperialism. Isolating the most important features of the new era, the era of imperialism or finance capital, the program points out that the process of concentration and centralization of

capital, by destroying free competition, led in the beginning of the twentieth century to the creation of mighty monopolistic alliances of capitalists, that is, syndicates, cartels, and trusts, which took on decisive importance in all of economic life, to the merging of bank capital with industrial capital of tremendous concentration, and to the intensified export of capital to foreign countries. International monopolies began the economic division of a world which had already been divided territorially among the richest countries. During the era of imperialism the struggle among the capitalist states inevitably becomes aggravated and the inevitable result of that struggle is imperialistic wars, wars for sales markets, for spheres of applying capital, for raw material and manpower, etc, that is, for world-wide domination and for power over small and weak nationalities. Then the program contains an evaluation of imperialism as the forerunner of socialist revolution.

"The extremely high degree of development of world-wide capitalism in general, the replacement of free competition by state monopoly capitalism, the preparation by banks and alliances of capitalists of an apparatus for the social regulation of the process of production and of the distribution of products, the increase in high prices and the oppression of the working class by the syndicates, an increase which is connected with the growth of capitalistic monopolies, the enslavement of the working class by the imperialistic state, the gigantic difficulty of the economic and political struggle of the proletariat, and the horrors, disasters, and destruction engendered by the imperialistic war, all these made inevitable the failure of capitalism and the transition to a higher type of social economy.

"Only the proletarian, communist revolution can lead mankind from the blind alley created by imperialism and imperialist wars. Whatever difficulties the revolution may have, whatever temporary setbacks or waves of counter-revolution, the final victory of the proletariat is inevitable" (KPSS v rezolyutsiyakh i resheniyakh /KPSS in Resolutions and Decisions/, Part I, Gospolitizdat, 1954, pages 411-412).

The conclusions from Lenin's research on imperialism and the overall crisis of capitalism formed the foundation of the program of the Communist International which was adopted by the Sixth Congress of the Comintern in 1928, of the programs of the Marxist-Leninist parties of the working class in all countries, and of very important documents of the KPSS and the international communist movement.

The Leninist theory of imperialism and the overall crisis of capitalism was enriched by new scientific conclusions and tenets in the works of the great continuer of V. I. Lenin's immortal work, namely I. V. Stalin. Generalizing the new experience of the historical development, Stalin gave a further elaboration of the basic problems of the overall crisis of capitalism and the struggle of the 2 systems, dying capitalism on the one hand and flourishing socialism in the Soviet Union on the other.

In the modern world there exist 2 antithetical lines of economic development, namely the line of flourishing and rapidly developing socialism on the one hand and the line of putrescent capitalism on the other. Whereas in a capitalist society man is subjected to the merciless law of the extraction

of the maximum profits, which dooms masses of the people to unrestrained exploitation and poverty, to unemployment and hunger, and to destructive wars, in a socialist society the development of production and the entire economic life are subjected to man and his constantly growing needs. Herein lies the key to an understanding of the immeasurable superiority of the higher, socialist order over the capitalism which has had its day.

The socialist system of economy guarantees the planned utilization of all resources in the interests of society, the elimination of unemployment and the assuring of the right of all able-bodied members of society to work, the steady growth in the material welfare of the people, the regular lowering of prices and the increase in the real income of the workers, peasants, and intellectuals, genuine national equality under law, and the carrying out of a tremendous amount of peaceful construction in the interests of the entire nation. The capitalist system of economy inevitably carries with it the rapacious destruction of the productive forces of society, an increase in the exploitation and impoverishment of the overwhelming majority of the working population, an increase in permanent unemployment for millions of people, national and racial oppression, an increase in prices and taxes, a steady drop in the workers' standard of living, militarization of the economy, and the preparation of new destructive wars in the name of the greedy interests of a small group of capitalist magnates.

II. BASIC ECONOMIC CHARACTERISTICS OF IMPERIALISM

Concentration of Production and Monopolies

The principal and decisive economic peculiarity of imperialism is the dominance of monopolies. Imperialism is nothing else but the monopolistic stage of capitalism. It is precisely in the dominance of monopolies that the economic essence of imperialism lies. The dominance and oppression of monopolies leave their ineradicable imprint upon the entire economic and political life and upon all aspects of social life during the period of imperialism.

The free competition which prevailed during the pre-monopolistic period led to the victory of large scale and gigantic enterprises. Free competition means the struggle of all against all in the world of capital. The lupine laws of capitalism lead to a situation in which weak enterprises sink to the bottom, and the largest sharks of capital swim up to the surface. The process of the concentration and centralization of capital is the result of the action of the economic laws of capitalism, namely the basic economic law, the law of the anarchy of production and competition, and the law of value. The concentration and centralization of capital are inseparably linked with the concentration of production, with the increase in the relative proportion, importance, and role of the ever larger and larger scale enterprises. When the concentration of production has reached a certain level of development, it inevitably gives birth to monopolies. Thus the transition to monopolies was prepared by the concentration of production, and the concentration of production developed in its turn on the basis of free competition.

When analyzing imperialism Lenin points out how the concentration of production at a definite, sufficiently high stage in its development immediately leads to monopolies. Studying the new historic era and summing up the development of capitalism during the previous half-century, Lenin finds precisely in the arising and development of monopolies the principal, basic link in the chain of the historic development which led to the conversion of an ascendant capitalism into a dying and decaying capitalism. During the period of imperialism, monopolies took on dominant importance. They became the basis of the economic life of the capitalist countries.

The concentration of production in all the most important capitalist countries has led to a rapid growth of a relatively small number of large-scale and gigantic enterprises, compared with which millions of small-scale enterprises play an insignificant role.

In the United States of America in 1909, out of a total of more than a quarter million enterprises, about 3,000 of them, or 1.1%, were gigantic enterprises which produced during that year goods valued at more than a million dollars. These enterprises employed 30.5% of the total number of workers and they yielded 43.8% of the gross production of industry as a whole. Thus almost half of the entire production of all the enterprises in the US was concentrated in the hands of 1/100 of the total number of enterprises.

During the past 3 decades the industrial giants have grown still more. In 1939 they constituted 5.2% of the total

number of enterprises; 55% with regard to the number of workers; and 7.5% with regard to gross production. Thus, no longer 1/2 but 2/3 of the country's entire industrial production was concentrated in the hands of the largest scale enterprises.

Like the war of 1914-1918, World War II accelerated still further the process of the concentration of production. During the period from 1939 to 1944 the following changes took place in the processing industry, which, according to the value of production, constitutes approximately 9/10 of all American industry. Small scale enterprises having up to 50 workers comprised 85% of the total number of enterprises in 1939 and 83% in 1944. However, despite the fact that the absolute number of workers at those enterprises increased by a quarter million, the percentage of the workers employed at them dropped from 17 to 12. In other words more than 4/5 of the total number of enterprises have only 1/8 of the total number of workers.

On the other hand, the number of workers employed at large scale enterprises (more than 500 workers at each) has increased from 3.8 million to 5.2 million. There are about 2,000 of these enterprises. Before the war there were only 49 gigantic enterprises employing 10,000 or more workers, but in 1944 there were 344. The number of workers employed at these enterprises increased from 1.4 million to 5.1 million, or from 13.1% to 30.4%. A total of 50 industrial giants had 20,000 or more workers each, and of them 11 firms each had more than 100,000 workers.

If we combine both of the higher groups of enterprises, that is, the large scale enterprises and the gigantic enterprises, with 500 workers or more, it turns out that before the war 48% of all the workers of the processing industry were concentrated at them, but in 1944, 62% were so concentrated. In other words, out of each 3 American workers, 2 were employed at large scale and gigantic plants, the total number of which did not even constitute 2,500.

In England, the oldest capitalist country, where a rather large number of enterprises of small and medium scale specializing in the production of definite types of goods, chiefly for export, were preserved from the former era, the concentration of production develops at an unsteady rate, especially in new branches of industry. According to data of the industrial census of 1935, enterprises employing from 10 to 100 persons constituted about 77% of the enterprises in the processing industry. They employed 25. % of the total number of workers. At the same time, the large scale enterprises employing more than 500 workers, the proportion of which enterprises in the total number of enterprises was just 3.1%, employed 35.3% of the total number of workers. But the concentration of production, Lenin pointed out, is much stronger than the concentration of workers. The 938 firms comprising just 2% of all English firms yielded 49% of England's entire industrial production. Of them, 18 gigantic firms each employing more than 20,000 persons produced almost 10% of the total production. In 4 branches of industry 3 of the largest scale firms employed more than 90% of the workers. In

11 branches, 3 of the gigantic firms employed 80-90% of the workers, and in 18 branches, 70-80% of the workers.

In Germany in 1907 out of a total number of more than 3 million enterprises there were about 30,000 enterprises with more than 50 workers. Thus in the total number they constituted only 0.9% of the total number of enterprises, but with regard to the number of workers employed the share of these enterprises was 39.4%; in capacity of engines, 75.3%; and in capacity of electric motors, 77.2%. In other words more than 1/100 of the enterprises had at their disposal more than 3/4 of the total amount of steam and electric power. In 1925 the share of large scale enterprises in Germany rose with regard to the number of workers to 47.4%; capacity of engines to 78.9%; and capacity of electric motors, to 80.4%. During the period of the Hitler regime and particularly during World War II the concentration of production in Germany increased still more.

In 1914 Japan had 85 enterprises employing more than 1,000 workers. In 1924 there were 248. In 1914 they employed 141,000 workers, but in 1924, 512,000. In 1929 the enterprises employing 200 or more workers constituted 2.16% of the total number of Japanese enterprises and yielded 48.6% of the total industrial production. In 1937 their share in the total number of enterprises dropped to 1.2%, but the relative proportion in industrial production on the other hand rose to 56.8%.

In tsarist Russia the concentration of industry was extraordinarily high. On the eve of World War I enterprises

with more than 500 workers in Russia employed 54% of all the workers, whereas in the US the figure was 33%. This created favorable conditions for an increase in the state of organization of Russia's working class, which developed into the greatest force in the political life of the country. At the same time the industry of tsarist Russia lagged considerably behind the industry of the more highly developed countries of Western Europe and America with respect to the level of its technical development. Foreign capital which was master in the leading branches of Russian industry had a guaranteed, monopolistically high, profit because of the cheap costs of manpower and was not interested in raising the technical level of the enterprises. In a number of cases it was precisely the absence of mechanization and the absence of highly productive machines which made a tremendous number of workers necessary.

The concentration of production in various branches takes place at different rates. Therefore the level of concentration in individual branches is far from identical.

For example in 1947 in England out of the total number of large scale enterprises employing more than 1,000 workers, 75% of the enterprises belonged to branches of heavy industry. In the aviation and automotive industry 63% of the workers in those branches were concentrated in large scale enterprises; in metallurgy, 55.6%; ship building, 54%; and in machine building, 43.3%. But in the textile industry 11.8% of the workers in that branch worked in large scale enterprises; the footwear industry, 10.6%; and in the sewing industry, 7.4%.

In all capitalist countries concentration takes place most rapidly in the branches of heavy industry and in new branches of production which had already received a considerable development during the era of imperialism, for example, the mining, metallurgical, electrical, machine building, and chemical industries. On the other hand, a number of branches of light industry are lagging behind with respect to the degree of concentration. In the sewing, tobacco, footwear, toy, and other branches of industry there are still many small scale enterprises. The level of technology at these enterprises is extremely low and these enterprises are maintained chiefly by means of an especially high exploitation of labor.

Thus a handful of giant enterprises is taking on decisive importance in the capitalist economy. Compared to them, the millions of small scale and medium scale enterprises play an insignificant role in the economy. A large number of small scale and medium scale enterprises fall under the complete dependence of a small group of gigantic capitalists.

The concentration of production is linked most often with combination, that is, with the combining in one enterprise of various, usually allied, processes or branches of production.

The combination of different types of production increases to a greater degree the advantages of large scale production. Most often the forming of combinations cheapens production, reveals opportunities for the efficient, complex utilization of raw material, and permits better utilization of equipment. Also, combination makes it unnecessary for industrial enterprises to share their profits with raw material

traders and owners. Finally, combined enterprises are able to cover losses on some types of articles by profits on other types of articles, and this gives them a more advantageous position than that of their competitors.

During the nineteenth century in certain branches of the economy which required especially large scale investments, for example in the construction of railroads, the building of canals, etc, an eminent role was played by joint-stock companies. At the end of the nineteenth and the beginning of the twentieth centuries the joint-stock form of enterprises became predominant. For example, more than 9/10 of the industrial output of the United States of America is produced by corporations, that is, joint-stock enterprises of various types. In 1940, out of a total of 414,000 corporations, 1.3% had 76% of the capital at their disposal. In Germany the joint-stock form of enterprises contributed to the strengthening of the positions of the giant magnates of capitals. For example, in 1929, out of a total of 11,700 joint-stock companies with a total sum of capital of 22.9 billion marks, 171 gigantic enterprises accounted for 11.7 billion marks, that is, 1.4% of the total number of companies possessed 48.5% of the capital. According to 1943 figures, half of the total amount of joint-stock capital fell to 108 gigantic joint-stock companies with capital of more than 50 million marks each.

In tsarist Russia the number of joint-stock companies increased from 1,500 with capital of 2 billion rubles in 1905 to 3,000 with capital of 4 billion rubles in 1913. On the eve of the 1914-1918 war the capital of joint-stock enterprises

in Russian industry exceeded by more than twice the capital of one-man enterprises and the entire small scale industry including handicrafts.

Joint-stock companies concentrate in their hands tremendous sums of capital which previously were dissipated among many owners. This capital serves to organize gigantic enterprises, the bosses of which are a few financial titans.

Thus, the concentration and centralization of capital prepare the ground for the rise and growth of monopolist companies. At a certain stage in its development the concentration of production leads directly to monopoly.

Just what is a monopoly? There are different kinds and types of monopolies. But if one were to attempt to give a general definition encompassing the most varied forms of monopolies, one might say a monopoly is an agreement or alliance of capitalists in whose hands the production and sale of the overwhelming majority of certain commodities are concentrated.

As long as the production of each branch is dissipated among many hundreds and thousands of independent small scale and medium scale enterprises, the transition to monopoly is made difficult. The situation changes when the concentration of production occurs. When, as a result of concentration in a definite branch, a few dozen gigantic enterprises remain, it is obviously easier for them to come to an agreement among themselves than it is for hundreds of medium scale or thousands of small scale enterprises. At the same time it is precisely

the large scale of the enterprises which encourages their owners to make agreements with the aim of jointly exploiting the market.

Monopolist organizations appeared first of all in heavy industry and became masters of the situation there. Then the monopolies also seized branches of light industry, subordinating these branches to themselves one after another.

Monopolist alliances of capitalists were still in the scarcely perceivable, embryonic stage in the 1860's and 1870's, when free competition had reached the limit of its development. After the depression of 1873 a broad wave of monopolist agreements arose. But these agreements in the majority of instances were of short duration and unstable, and broke down under the onslaught of competition. During the next decade, at the end of the nineteenth century, monopolist companies began to spread quickly in various branches of industry.

Monopolist companies began to arise with special rapidity in the countries of young capitalism, the United States of America and Germany. In the beginning of the twentieth century monopolies also began to spread to the countries of old capitalism, that is, to England and France. They began quickly to encompass many branches of industry in tsarist Russia. The next world-wide depression of 1900-1903 occurred under the sign of the domination of monopolies in heavy industry. By the beginning of the present century monopolist companies had become one of the bases of the entire economic life. The old capitalism of free competition was replaced by monopolist capitalism, that is, by imperialism.

The simplest form of monopoly is the short term agreement on prices. This agreement binds its participants for a definite period to observe the established sale prices stipulated in the agreement. For the most part these short term agreements are unstable. They break down quickly when the market conditions change.

A much more widespread form is the monopolistic agreement on prices and sale conditions, which is called a cartel or syndicate (cartel is a French word; syndicate is a word of Greek origin; both words mean an agreement or alliance). The participants of a cartel divide the sale markets among themselves and bind themselves not to drop the prices of their goods below an established level. Frequently the participants of a cartel receive a definite quota of sales and bind themselves not to produce more than that quota. If they exceed the quota they must pay a fine to a common fund. When entering a cartel, each enterprise retains its production and trading independence.

In a syndicate the enterprises lose their commercial independence, but they retain their production and juridical independence. The sale of goods, and sometimes the purchase of raw material, is transferred to the hands of a syndicate office.

Trusts are a high form of monopolistic companies. When entering a trust, individual enterprises lose their independence, completely and wholly, not only in commerce, but also in production. Independent enterprises are completely fused into one enterprise. The management of the enterprises is transferred

to the hands of the board of directors of the trust. The owners of the enterprises become shareholders in the trust, receiving dividends according to the number of shares they possess.

Trusts regulate production, establish prices, and determine the conditions for selling goods, payment deadlines, the distribution of profits, etc. Often a trust closes some of the enterprises which compose it and concentrates production in the enterprises that prove more profitable for the trust.

Often trusts and syndicates are part of still larger monopolistic companies which are called concerns. Tens, or sometimes hundreds, of enterprises of various branches of industry, as well as trading organizations, banks, transportation companies, etc, participate in large scale concerns. The shares of all the enterprises making up a concern are transferred into the hands of the group which is predominant in the concern and which effects control and domination over tremendous masses of capital.

Thus the practice of capitalist economy knows the most diverse forms of monopolies, from short term agreements to gigantic alliances encompassing the most diverse branches of the economy. However different the forms of monopolies may be, their aim is identical. The seizure of domination over production and the market and the use of this domination to obtain the maximum, monopolistically high, profits. Such is the *raison d'être* of monopolies.

During the course of a few decades the domination of monopolies, their extent, and their proportion in the economy

of capitalist countries have increased immeasurably. For example, in the US, which is rightfully called "the country of trusts," according to the most recent published data, 4 gigantic companies in each of 150 branches of industry hold in their hands more than half the production, and in 46 branches, 75%. The production of aluminum has been 100% monopolized by 4 main companies; production of rifle ammunition, 99%; production of aircraft engines, 98%; machinery and turbines, 97%; telephone and telegraph equipment, 95.7%; electric lamps, 91.8%; production of locomotives and locomotive parts, 90.7%; and production of cigarettes, 90.4%. Production in the electrometallurgical industry has been 88.3% monopolized by 4 gigantic companies; petroleum and coal industry, 88.3%; the glass industry, 88.1%; cellulose, 85.5%; soap industry, 79%; etc.

In American metallurgy, 8 monopolies, among which the largest are United States Steel Corporation and Bethlehem Steel Corporation, have 85% of the country's industrial capacity in steel. In the automotive industry the predominant monopolies are General Motors and Ford Motors. In the petroleum industry the predominant monopoly is one of the world's largest trusts, namely, Standard Oil. The aluminum industry is controlled by the Mellon concern, the chemical industry by the Dupont de Nemours concern, the electrical industry by the General Electric concern, the aircraft industry by the Douglas Aircraft Company, etc. The gigantic American monopolies exploit tens and hundreds of thousands of workers and control many billions of dollars of capital. Their possessions encompass almost the entire capitalist world. For example,

the General Motors automotive trust which plays a very prominent role in the entire economic and political life of the US, has possessions in 20 countries of the capitalist world, including England and New Zealand, Mexico and Pakistan, Canada and South Africa, Germany and Egypt. The 102 plants which that trust has in the US and the 33 plants abroad employ about 500,000 workers.

The vast railroad network of the US belongs to a few billionaires. Agricultural machine building is dominated by 4 gigantic firms whose share is 75-90% of the production of tractors, combines, and cultivators. The meat industry is in the hands of the so-called "Big 4," Swift, Armour, Cudahy, and Wilson. In the flour industry 3 gigantic monopolies have concentrated in their hands 38% of flour production. The United Fruit Company has a complete monopoly in banana production, shipment, and trade. In its hands are 3-4 million acres of land in 8 countries of Central and South America and the US. In addition, the United Fruit Company controls the hemp industry in Guatemala, Honduras, and Panama, the production of palm oil, sugar cane, cocoa, and valuable varieties of wood. The company possesses 1,500 miles of railroad track, a trading fleet of 65 vessels, radio stations, and telegraph lines.

In England, where at the end of the nineteenth and the beginning of the twentieth centuries the process of monopolistic unification took place more slowly than in other countries, after World War I monopolies encompassed all the decisive branches of industry. In ferrous metallurgy the largest monopolies were united into the cartel British Cast Iron and Steel Federation. In the electrical industry the decisive

place was occupied by the gigantic monopoly, Associated Electrical Industries. The Vickers-Armstrong concern, which plays a leading role in England's war industry, includes a number of the largest enterprises of metallurgy, machine building, ship building, electrical engineering, etc. The English-Dutch petroleum trust, Royal Dutch Shell, is the second largest petroleum monopoly in the world. The English chemical trust, Imperial Chemical Industries, controls about 2/5 of the total dye production, almost the entire nitrogen production, etc. A considerable amount of the textile industry is part of the monopolistic association, Lancashire Cotton Corporation. A large amount of the production of artificial fiber is concentrated in the Cortold [sic] Company. The English-Dutch Lever Brothers trust is dominant in the soap and margarine industry. An important place in the system of English monopoly capital is occupied by a number of companies which monopolistically exploit raw material sources in the British colonies and dependent countries. These include the tin workings and the rubber plantations in British Malaya and Burma, deposits of copper and other nonferrous and rare metals in the African colonies, cocoa, tea, and peanut plantations, etc. These monopolies, which encompass a considerable part of the world-wide production of raw material, play a major role throughout the capitalist world market.

In France, a cartel encompassing almost all the enterprises in the metallurgical industry is predominant. Four gigantic metallurgical trusts smelt 80% of all the steel produced in the country. A major role is played by the famous Schneider combine in the war industry. The electric industry

is in the hands of a few monopolistic companies. In machine building the most prominent role is played by the Alsacienne and Fives-Lilles combines, and in the chemical industry there is the "Big 5" of the largest trusts. In the relatively uncentralized textile industry, 2 gigantic firms have at their disposal a considerable share of production.

In Italy the Ansaldo and Ilva concerns in heavy industry possess gigantic mines, shipyards, and machine building plants. The Terni and Breda companies play a leading role in military industry and in the production of railroad equipment. The Fiat concern encompasses about 90% of automobile production. More than 80% of the entire chemical industry is monopolized by the Montecatini concern. Almost the entire production of synthetic fiber is in the hands of the Snia-Viscosa trusts. In the cement industry the Italcementi trust is predominant, and in the rubber industry the Pirelli company is predominant.

In Western Germany the omnipotence of the monopolies of heavy industry which formally were "reorganized" after the defeat of Hitlerism has been restored. The basic metallurgical concerns of Tessen, Kloeckner, Mannesman, and Flick have been restored. Seven metallurgical trusts yielded more than 68% of the entire steel production in the Bonn Republic in 1952. The Krupp munitions trust is again functioning and is expanding its influence. The I. G. Farbenindustrie concern, the world's largest chemical trust, which formally was divided into 3 firms after the war, actually continues to operate even now as a single concern headed by the old owners. Thirty-eight industrial

trusts encompassing all the decisive branches of industry in the Bonn State have been united into the Federation of West German Industrialists. These trusts are headed by the former bosses of fascist Germany who have achieved the rebirth of aggressive Hitlerite militarism.

Monopolies prevail in exactly the same way in the economic life of other capitalist countries.

Monopolies also used to occupy the predominant position in the industry of tsarist Russia. They played an especially important role in the decisive branches of industry, for example, in metallurgy, coal production, etc.

The Prodnugol' syndicate (Russian Society for Trading in the Mineral Fuel of the Donets Basin) had a major importance in tsarist Russia. It was organized in 1906 by 18 coal enterprises in the Donbas which were controlled by French capital. From the very first steps of its activity the Prodnugol' syndicate seized more than 3/4 of the entire coal production in the Donbas. The board of directors of this company was in Saint Petersburg, but actually the syndicate was subordinate to a special committee in Paris, made up of representatives of French banks. On the basis of contracts concluded with enterprises the syndicate had the exclusive right to sell all the coal and coke produced by its participants. It maintained high prices for coal by limiting the amount produced. A fine was levied for every pood of coal sold above the quota or at a reduced price.

In metallurgy a decisive role was played by the Prodamet syndicate which concentrated in its hands up to 95% of the

total production of ferrous metals. The syndicate raked in tremendous profits by sharply limiting production and artificially created a state of metal hunger in the country.

The match syndicate had at its disposal 3/4 of the entire production of matches. Large scale companies were the unchallenged masters in river and sea transport. The Okean syndicate company seized almost entire domination in the salt market. On the eve of World War I the capitalist barons of the cotton industry, the Ryabushinskiy's, Konovalov's, and Vtorov's, began to build up a monopolist organization.

The Prodvagon syndicate (an association for the sale of the output of the Russian railroad car building plants) was created in 1904. It was composed of 13 enterprises which held in their hands almost the entire production and sale of railroad cars. A syndicate of locomotive building plants united 7-8 plants which yielded 90-100% of the entire production.

A syndicate of sugar refiners raised the price of sugar so high that the sale of sugar in the country was curtailed. Sugar was exported to England and sold there at dumping prices. The losses from this operation and the surplus were covered by raising the prices within the country and by special export bonuses which the tsarist government paid the syndicate.

The largest monopolistic companies in tsarist Russia were very closely linked with foreign syndicates, cartels, and banks. In a number of cases they were actually departments or branches of foreign monopolies. This pertains to such syndicates as Prodvagon, Okean, and the match, cement,

tobacco, agricultural machinery, and other syndicates. The petroleum industry of tsarist Russia which occupied a prominent place in the world market was actually in the hands of foreign monopolistic groups competing with one another.

By their predatory boss methods the monopolies which were dependent upon foreign capital and closely linked with it aggravated the ruin and disorder of the economy of tsarist Russia during World War I.

The appetites of monopolies are no longer satisfied by the average norm of profit around which the capitalists' profits vary when free competition prevails. Monopolist capitalism demands the maximum profits. It is precisely maximum profit which serves as the chief motivating force of monopolist capitalism and it is precisely maximum profit which is the goal of production in modern capitalism. The means of achieving that goal are the exploitation, ruin, and impoverishment of the majority of the population of the particular country, the enslavement and systematic plundering of the peoples of other, especially backward, countries, and finally wars and the militarization of the national economy. Such is the basic economic law of modern capitalism.

Imperialism, or monopolist capitalism, is a peculiar kind of superstructure on old capitalism. The gigantic monopolies play the preeminent role in the economic life of any capitalist country. But this does not mean that the entire economy is completely run by monopolies. Even in the most advanced capitalist countries there are, in addition to monopolies, not only premonopolist, but even precapitalist forms of

economy. Obviously the proportion of these forms of economy is still higher in backward, colonial, and semicolonial countries where the majority of mankind lives.

In all bourgeois countries (except England) the majority or a very considerable part of the population is made up of the peasantry. In the overwhelming number of cases the peasantry is engaged in a simple trade economy and is subjected to the exploitation of landlords, merchants, and banks. Furthermore even in the most highly developed capitalist countries there are numerous groups of tradesmen working in small scale shops.

Finally, in addition to monopolies, independent enterprises which feel that it is unprofitable for them to join in monopolist alliances continue to exist. In a number of branches, chiefly those producing consumer goods, such enterprises still constitute the majority. These enterprises, as formerly, wage a competitive struggle among themselves and against monopolies in seeking a market.

Thus the monopolies have far from encompassed all of social production. But they predominate, since they control all the command positions in the economy. Making use of this situation the monopolies increase their profits and obtain an additional gain, mercilessly exploiting the proletariat, fleecing the peasantry, and seizing for themselves a part of the profits of nonmonopolist branches and enterprises.

In his struggle against anti-Marxist perversions Lenin frequently emphasized that without a fundamental base of capitalism, pure imperialism has never existed, does not exist anywhere, and never will exist. It is precisely the union of

monopolies with exchange, the market, and competition which is inherent in imperialism. Rising over old capitalism as its superstructure and direct successor, imperialism intensifies even further all the contradictions of bourgeois society.

Monopolies are the direct opposite of the free competition which prevailed at the premonopolist stage of capitalism. At the same time the domination of monopolies not only does not eliminate competition but, on the contrary, makes the competitive struggle incomparably more severe and destructive. The acute competitive struggle takes place between the monopolized and unmonopolized branches, between the monopolies of one and the same branch, between monopolies of different branches, and finally within the monopolist alliances.

Thus, not only competition gives birth to monopolies, but monopolies in their turn give birth to competition, intensifying it to extreme limits. Because of this the anarchy and chaos which are inseparable from the capitalist order arise. "Monopolies growing out of free competition do not eliminate it, but exist over it and alongside of it, thus giving birth to a number of especially acute and drastic contradictions, frictions, and conflicts" (V. I. Lenin, Soch., Vol 22, page 253).

The New Role of Banks, Finance Capital and the Finance Oligarchy

An idea of the true strength and importance of modern monopolies cannot be complete without taking banks into consideration.

The laws of the concentration and centralization of capital operate in banking as in industry. As a result of competition the number of banks is being reduced but at the same time their scale and the volume of their operations are increasing. A few gigantic banks are moving out to first place. Vast sums of free funds seeking profitable application are gathered in their accounts.

The extent of these funds increases gigantically with the development of capitalism, with the increased scale of industrial production, and with its concentration. In the 4 largest countries, the United States of America, Germany, England, and France, the increment in the total sums of deposits during the 30 years before World War I was 127 billion marks. Subsequently the volume of funds at the disposal of banks increased still more rapidly. In 15 years, from 1913 to 1928, the deposits in banks and savings banks of the 4 countries named had already increased by 183 billion marks.

Concentration in banking results in the concentration of the overwhelming mass of monetary funds in the hands of a small number of large scale and gigantic banks. Developing in accordance with the same laws that govern the concentration of industry, it inevitably leads to monopolies. The gigantic banks take on a decisive role and become monopolists in their field. Somehow or other they subordinate small banks to themselves. In the course of the severe competition a large number of small scale banks are ruined and cease to exist. Other small scale banks, formally keeping their independence, actually subject themselves to the authority of the larger ones.

Finally, many small banks are included in the sphere of influence of large scale banks and sooner or later become simple departments (branches) of the large scale ones.

The growth in the number of departments makes it possible to judge the growth in the importance and influence of large scale banks. In England the number of departments of joint-stock banks increased from 5,000 in 1900 to 12,300 in 1938. In Germany the large scale banks of Berlin had 42 departments in 1895, 450 in 1911, and 884 in 1932. In France the 3 largest banks had 260 departments in 1890, 1,200 in 1909, and 3,300 in 1930.

As a result of concentration the predominant role in banking was transferred to a few of the largest banks. Naturally, there is an ever greater intensification among them of the attempt to form monopolistic agreements and a bank trust.

Mighty monopolistic alliances of banks are springing up. Large scale financial operations, including the allocation of state loans and the organization of large scale joint-stock companies, are more and more often carried out not by some individual bank but by means of an agreement among several leading banks.

Competition no longer occurs among hundreds of individual small scale banks, but it does occur among the largest alliances of bank capital. Each such alliance commands tens, and sometimes hundreds, of small banks. It throws a thick net of its branches over an entire country.

The concentration of industry and of banking, the formation of industrial and bank monopolies, leads to an essential change in the interrelations between banks and industry.

As is well known, banks originally served as middlemen for making payments. As capitalism developed, the credit activity of banks as merchants in capital increased. Banks offered short term loans to capitalists at moments when the latter needed money. But with the further development of capitalist production and the resultant development in the growth of the bulk of bank deposits, the picture changes. Banks began to concentrate such huge funds that it was impossible to use them only for purposes of short term credit. Banks had to seek another use for the funds which they had collected. They began to become more closely linked with industry, issuing industrial loans for long periods of time, devoting to this purpose an ever-increasing share of their funds. It is natural that as a result of this the interrelations between banks and industry could not help but change. "Keeping a current account for a few capitalists, a bank executes what seems to be a purely technical, exclusively subsidiary operation. But when this operation grows to gigantic proportions, it turns out that a handful of monopolists have subordinated to themselves the trade and industrial operations of the entire capitalist society, becoming able, through bank connections, through current accounts, and through other financial operations, first to get accurate knowledge of the state of affairs of individual capitalists, then to control them, to influence them by expanding or contracting, facilitating or hindering credit, and finally to completely determine their fate, to determine

their income, to deprive them of capital or to make it possible for them to increase their capital quickly and to a tremendous extent, etc" (V. I. Lenin, Soch., Vol 22, pages 202-203).

Thus, as banking develops and becomes concentrated in a few of the largest banks, the very role of banks changes. They change from unpretentious middlemen into all-powerful monopolists, concentrating in their hands the control over the overwhelming majority of monetary capital, and also having at their disposal the larger part of the producer goods and sources of raw material in the particular country and in a large number of other countries.

Lenin called this conversion of numerous unpretentious middlemen into a handful of monopolists one of the basic processes in the development of premonopolist capitalism into monopolist capitalism.

As long as the concentration in industry and banking remained comparatively low, as long as the predominant form of credit was the short term loan, the connections between banks and industrial enterprises were not of any lasting nature. Every bank offered short term loans to a considerable group of enterprises, every enterprise could obtain loans from any bank. But with the concentration of industry and banking, with the increased importance of long term investments in industry, the situation changed fundamentally.

On the one hand every bank acquires its own more or less definite clientele with whom it regularly has dealings. On the other hand every industrial enterprise establishes

closer relations with a definite bank. When granting to a particular enterprise a large amount of credit for a long term, the bank finds itself in the position of having a vital interest in all its fate, in the success of its transactions, and in its income. In the event of bankruptcy of an industrial firm the bank credits invested in it may be lost. The interests of banks and industrial enterprises are interwoven more and more closely.

More and more often there are instances when a bank finances several large scale enterprises in one branch of industry. In such instances the bank has an interest in seeing that these enterprises do not compete with one another and do not ruin one another, but on the contrary are in the position to obtain profits as guaranteed and as high as possible. This situation cannot fail to contribute to the monopolistic agreements among industrial enterprises. Thus, the banks considerably intensify and accelerate the process of the concentration of capital and the formation of monopolies.

In 1940 45% of the banks in the US, or less than 1% of the total number of banks, had 55% of the total deposits. At the present time 38 gigantic banks control more than 9/10 of all the financial operations in the countries, and the so-called Big 5 of Wall Street controls more than half the operations.

In England in 1900 the 5 gigantic banks known as the Big 5 had on their accounts 27% of the total deposits in all the banks in the country; in 1913, 40%; and in 1936, 75%. In 1951 the number of banks in England was 22% less than in 1929,

but the sums on their balance sheets had more than doubled.

At the same time the share of the Big 5 in 1951 came to 79% of the total sum on the balance sheets of English banks.

The operations of bank monopolies, like the operations of industrial cartels, trusts, and concerns, is completely determined by the basic economic law of modern capitalism. The maximum capitalist profit is the goal, the *raison d'être* of bank monopolies.

By acquiring all kinds of securities, shares, and bonds of various companies, and by founding new joint-stock societies, banks became the coowners of industrial, trade, and transport enterprises. In their turn industrial monopolies possess shares in the banks connected with them.

This is the soil on which the "personal union" of directors of bank and industrial monopolies arises and develops. Bank directors become members of the leading organs of industrial enterprises, and, conversely, directors of industrial monopolies become members of the board of directors of banks.

The big banker and the big industrialist have grown together so closely that it is often difficult to determine to which category a particular magnate of capital belongs. The gigantic monopolist companies in banking, industry, trade, and the most varied branches of the capitalist economy are headed by an extremely limited number of persons.

In Germany on the eve of World War I 6 gigantic Berlin banks had their directors in 344 industrial enterprises and

had members on the board of directors of 407 other enterprises, that is, a total of 751 companies. On the other hand 51 giant industrialists were members of the directing organs of these banks. Subsequently this "personal union" developed still further. In 1932 the directing organs of the 3 principal Berlin banks had 70 members who were representatives of industry, including the directors of the Steel Trust, the Chemical Trust, the Krupp firm, of other metallurgical combines, etc. It was precisely that small and closed clique of magnates of capital, closely linked with the Junker landlords, which played the decisive role in the strengthening of fascism in Germany, and it is precisely that clique which brought the Hitler gang to power in 1933.

This same caste of financial oligarchs heads the economic life of West Germany at the present time. As a result of the further growth of concentration of capital, the number of true directors in West Germany is even lower than before the war. According to reports in the West German press, at the present time 22 families of Ruhr industrialists now concentrate in their hands 97% of steel production, 85% of cast-iron production, and 91% of rolled steel production. Instead of the German Bank there have appeared banks of the individual regions of West Germany, including the South German, Rhein-Westphalian, North German, etc. The total volume of capital in West German banks had already reached 32.5 billion marks in the middle of 1933. The system of West German banks is headed by the Hitlerite "fuehrer" of the German Bank, the financial magnate Abs. This caste of financial oligarchs heads all the work of the remilitarization of the country, and the rebirth of its

military and economic potential and of its vengeful armed forces.

The giant banks prove to be most closely welded to the monopolist alliances in industry. The monopolist bank capital and industrial capital fuse or knit together. Finance capital forms on this basis. The dominance of finance capital is one of the basic characteristics of the monopolist stage of capitalism, that is imperialism.

Lenin's definition of finance capital encompasses 3 most important factors: "The concentration of production, monopolies growing out of it, the fusion or knitting together of banks and industry, such is the history of the springing up of finance capital and the meaning of that concept" (V. I. Lenin, Soch., Vol 22, page 214).

Thus, calling imperialism the era of finance capital, it is necessary to keep all these factors in mind: (1) the concentration of production, (2) monopoly growing out of it, and (3) the fusing or knitting together of banks and industry.

The growth of monopolies and of finance capital leads to a situation in which, in every capitalistic country, the keys of the entire economic life are concentrated in the hands of a small bunch of bankers and monopolist industrialists. The fates of any capitalist country are decided by a few gigantic finance or industrial monopolists, an all-powerful financial oligarchy (the word "oligarchy" is of Greek origin and literally means "rule by a few"). During the era of imperialism the monopolist has at his disposal not only other

people's labor, but also other people's capital, exceeding by many times his own capital.

There are several means by which the dominance of monopolies spreads over the masses of other people's capital. One of the principal means is the so-called participation system, which works as follows. A large scale financial businessman or a group of businessmen hold in their hands the basic joint-stock company. This "mother company," in its turn possessing control blocks of shares, dominates over the "daughter companies" dependent upon it. These latter companies, in exactly the same way, have "granddaughter companies" at their disposal.

The overwhelming bulk of the wealth is concentrated in the hands of an infinitesimal number of magnates of capital. For example, in England less than 2% of the property owners possess 64% of the country's wealth. In America 1% of the property owners hold in their hands 59% of the national wealth.

During the era of imperialism monopolies completely dominate the bourgeois state. The financial oligarchy is completely free to use the state authority, to determine its policy, and to direct the entire activity of the state apparatus with the aim of strengthening its own authority and of obtaining the maximum profits. In any bourgeois country the bosses of finance capital completely possess the true authority in the state. They actually overthrow and appoint governments, using the state authority to suppress the workers' movement in the home country and the national

liberating movements in the colonies. Small groups of monopolists emerge as skirmishers following an aggressive policy, engaged in predatory acts, in the armaments race, and in the preparation for new wars. The financial oligarchy holds in its hands all the bourgeois press, science, and art, bribes high officials and parliamentarians, in its own interests falsifies so-called "public opinion," and has at its disposal an entire apparatus for poisoning the consciousness of the masses.

Finance capital concentrated in a few hands and enjoying a complete monopoly extracts a tremendous and ever growing tribute from all of society in the form of fat profits from the founding of new companies, from the issuance of exchange securities, from state loans, etc.

As long as the capital of joint-stock companies was relatively small, the principal role in the trade of securities was played by stock exchanges. But in the twentieth century, when almost all the monetary funds of the capitalist economy are concentrated in the hands of the banks, the role of the stock exchange has decreased.

By founding a new joint-stock company or expanding the capital of an old enterprise by issuing new shares, industrialists as a rule are forced to turn to banks for aid. Banks themselves also emerge as founders of joint-stock companies. The stock exchange price of shares issued in the name of an enterprise is usually considerably more than the extent of the capital actually invested in the enterprises. This difference is the founder's profit. The founder's profit is an important

source of enrichment for the financial oligarchy. Another important source of enrichment is the "watering" of joint-stock capital, that is, the issuing onto the market of large lots of securities for a sum many times exceeding the actual value of property owned by the joint-stock enterprise. The financial oligarchy reaps profits at a tremendous rate at the expense of the treasury. Governmental institutions headed by henchmen of the gigantic financial groups pay the monopolies high prices on orders and deliveries. In apportioning out state loans the banks receive considerable sums for "acting as middlemen." Under the pretext of encouraging "economic initiative" the capitalist state pays out millions in the form of subsidies to the gigantic entrepreneurs. In the event of bankruptcy of the large scale monopolies, the governments come to their aid with all the funds in the treasury, spending billions for "rejuvenation," to cover deficits, writing off their indebtedness as a treasury expense, etc. By such many and varied means the gigantic capitalists appropriate funds collected by the bourgeois state chiefly in the form of taxes from the working population.

"Monopoly," Lenin pointed out, "once it has developed and is controlling billions, with absolute inevitability penetrates all aspects of social life, regardless of the political structure and regardless of whatever other 'particulars'" (V. I. Lenin, Soch., Vol 22, page 225).

This very important conclusion of Lenin's was completely and fully confirmed in the course of the entire further historic development.

The classic country showing the unlimited omnipotence and arbitrariness of the financial oligarchy is the US. A research work of a group of progressive American economists, Monopolies Today, published in late 1950, lists an extensive amount of factual material which graphically shows that at the present time the American economy is dominated by 400 bankers and industrialists, who in 1950 held in their hands almost 1/3 of the 3,705 director posts in the management of 250 gigantic corporations. This number includes 200 gigantic nonfinancial companies, each of which has assets of 125 million dollars or more, and 50 gigantic financial corporations, including banks and life insurance companies, each of which has assets exceeding 327 million dollars. The assets of all these 250 companies constitute 192.8 billion dollars, that is, about 42% of the total assets of all the corporations in the US, which is 461.5 billion dollars. Some of these gigantic corporations are part of a still narrower circle, "the Billionaire corporation club," that is, they have assets of a billion dollars or more.

By the end of 1952 there were 66 such companies in the US. Taken together, their capital constitutes almost 175 billion dollars. These 66 corporations are one insignificant part, 1/100 of 1%, of the more than 660,000 companies existing in the US. But in 1952 they possessed 28.3% of the assets of all corporations. By participating in the boards of directors of other firms and companies, through the system of "daughter enterprises," or by means of internal financial mutual connections, they control more than 75% of the assets of all corporations.

These gigantic companies are headed by a group of magnates of capital, the number of which does not exceed 400 persons. Each of these 400 persons occupies an average of 3 director posts. One hundred twenty-seven gigantic American businessmen occupy 289 leading posts on the boards of directors of the 66 billionaire corporations. This group of gigantic plutocrats, whose obedient bailiffs are the president, cabinet secretaries, senators, and generals of the US, in the name of its own narrowly egotistical interests determines the entire policy of the Washington government, the policy of rampant reaction and the development of fascism within the country and the aggressive policy of provocative actions in the international arena, the policy of preparing for and inciting a new war in the name of the delirious plans of establishing the world-wide domination of the monopolies of Wall Street.

The Export of Capital

The domination of finance capital within the most highly developed capitalist countries inevitably leads to the domination of a small number of imperialistic states over the entire world. The economic basis of this domination is the export of capital.

"Capitalism in general," Lenin wrote, "is characterized by the separation of the ownership of capital from the application of capital to production, the separation of monetary capital from industrial or production capital, the separation of the rentier, living only on the income from monetary capital, from the entrepreneur and all other persons directly participating in the control of capital. Imperialism or the domination

of finance capital is that highest degree of capitalism wherein that separation reaches tremendous dimensions. The predominance of finance capital over all other forms of capital means the dominant position of the rentier and of the financial oligarchy and the separation of a few states possessing the financial 'might' from all the others" (V. I. Lenin, Soch., Vol. 22, page 224).

Thus Lenin defines the new stage of development which is reached by the separation of function capital from ownership capital at the monopolistic stage in the development of capitalism. Lenin points out further that the opportunity of exporting capital is created by the fact that a number of backward countries are drawn into world-wide capitalist turnover, the principal railroad lines are constructed, the elementary conditions for the development of industry are created, etc. "The necessity of exporting capital is created by the fact that in a few countries capitalism is 'overripe' and capital (provided agriculture is not developed and the masses are impoverished) does not have enough fields for 'profitable' allocation" (Ibid., page 229).

It is necessary to keep in mind the relative nature of the surplus of capital in the most highly developed capitalist countries. The favorite "conclusion" of the petty bourgeois critics of capitalism, who spread the illusions of the possibility of the peaceful "reformation" of capitalism and the elimination of its inherent contradictions, lies in the following: can this be a matter of a surplus of capital even when in the advanced countries agriculture has lagged behind industry, when the standard of living of the masses remains

exceptionally low? This conclusion is on the order of the notorious conclusion against depressions: can this be a matter of overproduction of goods when tremendous masses of the population need even the very essentials? But the crux of the matter is that capitalism is concerned least of all about the needs of the population and about improving agriculture. The motivating force of capitalist production is the pursuit of the highest profit. Therefore, under the conditions of capitalism a surplus of capital is used not to raise the standard of living for the masses in the particular country, since this would mean a lowering of the profits for the capitalists, but rather this surplus of capital is used to increase profits by exporting capital abroad to backward countries. In these countries the profit is high, since there is little capital there, wages are low, the price of land is comparatively low, and raw material is relatively cheap. Thus the costs of production there are low and the sales market is expanded. Capitalist goods crowd out the products of small scale production, dooming millions of tradesmen and handicraftsmen to extinction.

The export of capital, like finance capital and the domination of monopolies, is one of the phenomena first subjected to Marxist analysis by Lenin. Just like all the principal processes of monopolist capitalism, the export of capital is determined by the action of the basic economic law of modern capitalism.

The export of capital also took place during the pre-monopolist era, but only during the era of imperialism has it

attained predominant importance. For premonopolist capitalism, with the complete domination of free competition, the export of goods was typical. For the imperialist stage in the development of capitalism, with the domination of monopolies, the export of capital became typical.

Thus the fundamental change in the role of the export of capital evolves from the parasitical degeneration of capitalism during the era of imperialism. It was not without reason that Lenin defined the export of capital as "parasitism squared." In the richest countries a "surplus" of capital is formed which does not have a sufficient field for profitable application within the country. At the same time during the era of imperialism the formation of a world-wide system of capitalistic economy is completed, with the enslavement by a handful of powers of the majority of the backward, colonial, and dependent countries. In these backward countries cheap semislave labor and the cheap price of land make it possible for the imperialists to obtain gigantic profits for their capital investments.

The defenders of the bourgeoisie attempt to depict the export of capital by imperialistic countries as benefitting poor and backward countries. By investing their capital, the rich countries allegedly help the poor countries develop industry, build railroads, and move ahead along the path of progress. At the present time American imperialists, by advancing an extensive program of exporting capital to the colonies of the European states, is attempting to camouflage its own expansionist and predatory goals under the hypocritically lying slogan of "help for backward regions."

Actually the export of capital is a means by which some countries enslave others. It serves as the basic system of imperialistic oppression. The countries importing capital become dependent upon imperialist states. By exporting capital the financial oligarchy of a few capitalistically well developed countries subordinates to its control whole branches of the national economy, and later the entire economy of the backward and weak countries. A country which is forced systematically to resort to the influx of capital from without has the most one-sided transactions forced on it. The monopolists exporting capital dictate their conditions to it, strive for advantageous concessions, seize the sources of all types of valuable raw material, and master the sales market. The export of capital serves as a means of forcing the export of goods. Usually it is a condition of a loan that goods will be purchased in the country granting the credit. The imperialist countries are especially eager to force their loan debtors to purchase armaments.

The country exporting the capital receives from without a constant intake of surplus value in the form of interest on loans or in the form of profits from foreign enterprises. The export of capital on the one hand leads to a certain stagnation in the countries exporting the capital. On the other hand the export of capital speeds up the development of capitalism in the countries to which it is sent.

In those countries there is a forced development of capitalist relations with all their inherent contradictions, including the ruination and impoverishment of the masses, the

predatory exhaustion of the land and its natural resources, etc. At the same time the development of capitalist relations in the backward countries is combined with the conservation of the most monstrous forms of feudal exploitation. Thus, being the result of the unevenness of the development of the individual countries under capitalism, the export of capital at the same time intensifies and aggravates that unevenness. Capital is exported not by one country but by all the imperialist states. Therefore one of the most important consequences of the export of capital is the increase of rivalry among the imperialists, the aggravation of the conflicts among themselves, the struggle for spheres of influence.

The export of capital leads to a situation in which a few of the richest countries occupy the position of usurers with respect to all the other capitalist countries. With a considerable share of all their wealth being located abroad, they become rentier states and centers of the financial exploitation of the whole world. The income from exported capital constitutes for them one of the most important sources of enrichment. For example in 1929 the capital located abroad constituted the following percentages with respect to the national economies: in England, 18%; in France, 15%; in Holland, about 20%; in Switzerland and Belgium, 12% each; and in the United States of America, 4%.

During the era of imperialism the development proceeds in such a way that the circle of exploiter countries is reduced and the circle of the exploited countries in the capitalist world is increased.

On the eve of World War I the overwhelming bulk of the exported capital belonged to 3 countries, England, France, and Germany. At that time the US did not yet play any essential role in the export of capital. On the other hand, the US was the field for the application of considerable masses of foreign capital. The capital invested abroad constituted 75-100 billion francs in England, 60 in France, 44 in Germany, or a total of 175-200 billion francs. If one considers that the capital brought in only 5% interest a year (although actually it yielded more), the income from the sum of 175-200 billion francs constitutes 8-10 billion francs a year.

As a result of the war of 1914-1918 there were major changes made in the world-wide export of capital. Germany lost her former capital investments abroad. There was a considerable curtailment in the foreign capital investments of England and France. At the same time there was a colossal increase in the export of capital by the US. By increasing its foreign capital investments at much more rapid rates than England, the US in 1929 was almost on a par with England with respect to the volume of foreign capital investments. Thus the principal financial exploiters of the world, and consequently its principal creditors became the US and, in part, England.

After World War II the role of the US as the principal financial exploiter of the capitalist world increased still more. The foreign capital investments of Germany, Italy, and Japan were liquidated. The capital investments of other states of west Europe were curtailed as a consequence of the transfer of a considerable part of the English, French, and

Dutch capital investments abroad into the hands of the US, and also as a result of the fact that a number of countries in central and southeast Europe fell out of the system of imperialism, as a result of the victory of the people's revolution in China, the increase of the national liberating movement among colonial peoples, and the breakdown which is occurring at the present time in the colonial system of imperialism. At the same time American capital has begun to penetrate widely into the countries of west Europe, their colonial possessions, and their old spheres of influence. The export of capital and the resultant export of goods play a great role in the economic and political expansion of the American monopolies, an expansion which is aimed at the enslavement of other countries and which is inspired by the adventurist plans of world-wide domination.

Before World War II the countries of west Europe had a guaranteed tribute in the amount of 1,500 million dollars a year from foreign capital investments. As a result of the war the extent of that tribute was curtailed. Obviously the monopolies of the west European states did not refuse to export capital at the present time, when these states are experiencing a critical lack of funds to pay for their own current expenses abroad. English monopolies invest capital in India, Pakistan, Australia, New Zealand, and the Union of South Africa, cooperating with local monopoly capital. Monopolists of the metropolitan countries are planning to set their affairs right at the expense of the intensified exploitation of colonial peoples, especially on the African continent, and in Southern Asiatic colonies (Malaya), by investing capital

in enterprises for producing raw material, military structures, etc. French capitalists are proceeding along the same path in the African colonies of France.

However the export of capital from the Western European states yields considerably to the export of capital from the US. Private capital investments of England abroad were considerably curtailed as compared with the prewar period. Private capital investments of the US abroad in 1950 reached 41 billion dollars, as compared with 12.5 billion dollars in 1939, exceeding the prewar level by 69%. But the total sum of American capital invested abroad, encompassing not only private capital investments but also governmental credits and subsidies, rose from 18.5 billion dollars in 1947 to 39.5 billion dollars in 1953.

After the war American capital penetrated widely into the well-developed industrial countries of west Europe, seizing important positions in their economy. Even England, which occupied a subordinate position in the Anglo-American imperialist bloc, took the path of one-way loans benefitting the US. The following table gives a graphic idea of the changes which took place in the field of the export of capital during the first half of the present century.

PRIVATE CAPITAL INVESTMENTS ABROAD

(In Billion Dollars)

	Years			
	1900	1913	1930	1949
US	0.5	3	17	19
England	12	17	19	17
France	6	12	7	2
Germany	2.5	9	1	-
Total	21	41	44	38

This table shows that by the end of 1949 the investments of American monopolies abroad exceeded the total sum of the capital investments of the other imperialistic countries taken together.

In the export of capital from the US an important role is played by state loans and credits having as their goal the economic and political enslavement of other countries, the support of reactionary, antinational regimes in those countries, the militarization of their economy, and the preparation for an aggressive war in the name of the greedy interests of American imperialism. The export of capital from the US serves as a very important weapon in the expansion of American imperialism and its struggle for the delirious plans of world-wide domination.

The financial exploitation of the entire capitalist world by American monopolies is carried out in various forms. The chief one of these is the export of capital. American capital investments abroad are a tested weapon by which scores of countries are robbed by the monopolies of Wall Street. The

interests of preserving and expanding that robbery are served by the aggressive policy of the US which violates the national sovereignty of nations and uncereemoniously interferes in the internal affairs of other countries.

The export of capital yields tremendous parasitical income for American monopolies. According to undoubtedly lowered official data, from 1920 to 1948 the monopolies of the US received from their foreign capital investments an income in the amount of 18 billion dollars. This sum is equal to the sum of all foreign capital investments in existence by the end of that period, and was 3 times more than the sum of capital investments at the beginning of the same period.

During the single year of 1953, foreign capital investments yielded American bankers and industrialists 2.8 billion dollars of pure profit.

Even according to the official data of American corporations, the profits from foreign capital investments exceeded by 3-4 times the norm of profit within the country. The widespread penetration of American capital into the countries of west Europe and their colonies inevitably leads to the aggravation of the contradictions in the camp of imperialism.

The Economic Division of the World among the Monopolist Alliances of Capitalists

Monopolies are striving primarily for domination of the country's domestic market. Sources of raw material, monetary funds, and the sale of goods in each country prove to be

divided among the monopolies. In order to combat foreign competition the bourgeois states establish duties for imported goods which often exceed the price of those goods. Various limitations are introduced, and sometimes there is a direct prohibition on the import of certain goods from abroad in the interests of guaranteeing the maximum profit for domestic monopolies.

Once they have developed and become predominant in national life, monopolies do not limit themselves to domination on the domestic market. Under capitalism the domestic market is inevitably linked with the foreign market, since capitalism created a world-wide market long ago.

Even the very scale of the production of monopolist companies often exceeds the limits of the domestic market of individual countries. The concentration of production has gone so far that the gigantic monopolies concentrate in their hands a considerable share of the entire world-wide production of definite types of goods. When in a particular branch of production a few gigantic trusts from various countries begin to place a decisive role in the entire world, the struggle among themselves becomes especially acute and destructive. As the export of capital increases, and the foreign spheres of influence of the gigantic monopolies expand, it is natural that the tendency to divide the world market among themselves develops.

The departure of monopolies from the confines of individual states and onto the world market means a new and still higher stage in the world-wide concentration of capital and

production. Lenin calls this stage the supermonopoly. The pool of international monopolist agreements, like that of monopolistic alliances within the separate countries, is the guaranteeing of the maximum capitalistic profit. Thus, the rise and development of international monopolies and all their activity evolve from the basic economic law of modern capitalism.

Even before World War I the world's petroleum market was for all practical purposes divided among the American Standard Oil trust, in the hands of Rockefeller, and the Royal Dutch Shell concern, predominantly influenced by English capital. The electric appliance market was divided between 2 monopolistic firms, the German General Electric Association and the American General Electric Company controlled by the Morgan group.

During the period between the 2 world wars, international monopolies received an especially widespread development. At the same time there was an increase in their importance in world policy. They played a tremendous role in the preparation for World War II by the forces of world-wide imperialism.

The close links which the American, English, and French monopolies had with the German magnates of capital who placed Hitler and his fascist band in power fed the policy of appeasing the fascist aggressors which was followed by the western powers during the prewar period. The gigantic monopolies of the US, England, and France which were linked by cartel agreements with the German trusts, inspired and directed the policy of the governments of their countries, that is, the policy of instigating Hitlerite Germany to aggression, the policy which

unleashed World War II. Parallel to the Munich agreements between England and France on the one hand and Hitlerite Germany and fascist Italy on the other, a number of economic agreements were concluded between the magnates of industry and banks in the same countries.

A number of international cartel agreements stipulated that they would continue to be in effect in case of war. During World War II the capitalist circles linked with the international monopolies took decisive steps, particularly in the U.S. first against America's entry into the war in Europe, and then to conclude a "compromise peace" with Hitlerite Germany. After the conclusion of the war these circles waged a decisive struggle against the Potsdam decisions relative to the demilitarization and democratization of Germany and adopted a policy of converting West Germany, occupied by the 3 Western powers, into the most important military and economic base and the strategic beachhead in the struggle for American world-wide domination.

The international petroleum cartel existing at the present time encompasses 5 gigantic corporations in the US, the English-Dutch Royal Dutch Shell trust, and the Anglo-Iranian petroleum company. These monopolies possess 70% of all the explored petroleum reserves in the capitalistic world, 75% of the production capacities of the petroleum-refining industry, and approximately 1/2 of the tanker fleet.

The gigantic monopolies are dividing the world among themselves in an economic regard. But does this economic division of the world mean the end of the struggle among the

monopolistic alliances? Of course not. If the domination of monopolies within a country not only does not eliminate competition but on the contrary aggravates it to the extreme, then this is true to an even greater degree with respect to international monopolies.

As early as the eve of World War I the agreement between the American and German electric trusts clearly showed how critical the competitive struggle was in the midst of that international monopoly which had millions of dollars of capital at its disposal and had flung its departments, representations, and agencies throughout the entire world. Noting that fact, Lenin at the same time emphasized that the division of the world between 2 strong forces in no way precludes a redivision insofar as the ratio of the forces between them inevitably changes as a result of the unevenness of development, wars, bankruptcies, etc. This is attested to particularly by the long struggle for petroleum, which even in bourgeois economic literature was called the struggle for "the division of the world."

The formation of international monopolies is the result of the competitive struggle among the gigantic alliances of monopolists in the individual countries. As a particular alliance of monopolists arises, the struggle is carried chiefly to the inside of that agreement, and therefore any international agreement of monopolists is inevitably of an unstable nature. As changes occur in the ratio of the forces among the participants of that agreement, and as all sorts of upheavals develop, the agreements of the monopolists break down

and the struggle becomes an open one again for a certain period of time.

Hence the complete absurdity of all sorts of theories which allege that international monopolist agreements can peacefully eliminate the contradictions arising among the influential capitalist groups is quite clear. "This opinion," Lenin wrote, "is theoretically completely nonsensical, and practically speaking is a sophism and a means of the dishonest protection of the worst kind of opportunism. International cartels show the degree to which capitalistic monopolies have now grown and the reason behind the struggle among alliances of capitalists. This latter situation is the most important one. Only it reveals to us the historic and economic meaning of what is taking place, since the form of the struggle can change and does change constantly depending upon various comparatively specific and temporary reasons, but the essence of the struggle and its class meaning really cannot change as long as classes exist" (V. I. Lenin, Soch., Vol 22, page 240).

The development and growth of international monopolies not only do not mollify the contradictions and the struggle in the camp of the imperialists, but, on the contrary, aggravate the rivalry still more, and give rise to especially critical conflicts among the imperialistic groups and powers.

During the course of the entire period of their existence, the international monopolies have played not the role of peacemakers which is ascribed to them by the defenders of capitalism, but the role of the most rabid warmongers. The association of the coal and steel industry of West Germany,

France, Italy, Belgium, Holland, and Luxembourg which was created on the order of American imperialism is of the same nature. As a cartel this association fulfills the functions of an international monopoly, namely the distribution of production quotas, the division of markets, the establishment of monopoly prices, etc. In forcing the governments of France, Italy, and the Benelux countries to acknowledge that association, the American monopolists pursued primarily the goal of subordinating the entire heavy industry of west Europe to their aggressive plans. The preponderance in the cartel falls to the West German monopolists who were given the opportunity of adapting the coal and metallurgical base of the other states of west Europe to the plans of remilitarizing West Germany and the creation of a war arsenal against the camp of peace and democracy. At the same time the association of the heavy industry of the continental countries of west Europe has the aim of weakening the position of England, which is not a member of that cartel.

The Completion of the Territorial Division of the World among the Great Powers and the Struggle for Its Redivision

The economic division of the world among alliances of capitalists is closely linked with the territorial division of the world among the gigantic imperialist countries and with the severe struggle for colonies and spheres of influence.

By the end of the nineteenth century the division of the world was completed and there were no more free countries. A situation was created in which it was possible to seize some territory only by taking it away from its former owner. The problem of the redivision of the world came up on the agenda.

By the 1870's, at the moment of the highest flourishing of the former premonopolistic capitalism, the undisputed monopoly in colonial politics belonged to England. France's colonial possessions were small. In addition to England and France, other countries possessing colonies were the secondary states of Europe, namely Spain, Portugal, and Holland, which retained their colonies since the days when they played a major role in world trade. The young capitalist countries, the US, Germany, Japan, and Italy, did not have any colonies then.

There were still vast territories on the earth which were not seized by capitalist powers, land which in this regard was "no man's land" or "unowned." In 1876 the colonies of the European Powers in Africa occupied no less than 1/10 of the continent. About half the territory of the Asiatic continent and the islands of the Pacific Ocean (Polynesia) had not yet been seized by the capitalist states.

During the last fourth of the nineteenth century and the beginning of the twentieth century there was an intensified seizure of colonies. Not only England, but also France, the US, and Germany seized colonies during that period. From 1876 to 1914 the "great" powers seized about 25 million sq km. This tremendous territory was twice as large as all of Europe. The old colonial powers, England and France, got most of the land.

By 1860 the English colonies had an area of 2.5 million sq m and a population of 14.5 million. In 1899 the area of English colonies was 9.3 million sq m, and the population was

309 million. Thus the last 40 years of the past century were a period of tremendous expansion of the British colonial empire.

France, which formerly possessed only small territories near the northern shores of Africa (Algeria) and the coastal strip on the southeast extremity of the Asiatic continent (Indo-China), had become a major imperialist power by the end of the nineteenth century, with colonial possessions of 3.7 million sq m.

The younger capitalist countries, the US, Germany, Italy, etc, missed the boat. The young imperialist pirates had to be satisfied with comparatively secondary colonial possessions, or to attempt to take possession of colonies which formerly had fallen into the hands of other imperialist countries. Nevertheless during that period Germany seized a million sq m of territory with a population of 16.7 million. The US acquired a very important base in the Pacific Ocean, the Philippine Islands, and other major territories. During the same period they appropriated a number of republics in Latin America which became dependent upon Wall Street.

The Spanish-American War in 1898 was the first war of the imperialist type, a war marking the beginning of the era of imperialist wars. As a result of that war against a weak enemy, the American imperialists seized the Philippines, Puerto Rico, Guam, and Cuba. Then they seized the Hawaiian Islands, and in 1899 the Samoan Islands. The uprising of the Philippine nation against the foreign usurpers was cruelly suppressed by the American militarists, whose ranks included a person just

beginning his hangman's career, Douglas MacArthur, the general who committed unheard-of crimes in Korea in 1950-1951.

By the beginning of World War I, of the 1,700 million population in the world, approximately 600 million lived in colonies, and 350 million in the home countries. The so-called great powers got the lion's share of the colonial possessions. On the eve of World War I they controlled 3/4 of all the territory and the overwhelming bulk of the population in the colonies.

The struggle for the repartition of an already divided world was one of the principal distinguishing features of the monopolistic stage of capitalism. The entire first half of the present century confirms that scientific conclusion, which is one of the keystones of the Leninist theory of imperialism.

The entire historic experience from the beginning of the twentieth century to the present day confirms that the imperialists' struggle for the repartition of the world in the final analysis overflowed into the struggle for world domination. "World domination is, to put it briefly, the meaning of imperialist policy, of which imperialist war is a continuation," Lenin wrote during World War I (V. I. Lenin, Soch., Vol 23, page 24).

The first to fire in the struggle for world domination was German imperialism. During the first half of the twentieth century mankind lived through 2 world wars caused by the struggle of imperialist groups aimed at winning world domination. After the end of World War II, American imperialism

emerged with adventurist plans for establishing its world-wide domination.

Even during World War I Lenin with brilliant perspicacity determined the aggressive piratical nature of American imperialism, which even then claimed the inglorious role of successor to the German policy of struggling for world domination.

On the basis of monopolist capitalism the colonial powers became the oppressors and enslavers of the majority of the population on the earth. National oppression and racial discrimination in the most varied forms are the inevitable features of imperialism. The roots of these phenomena lie in the economy of monopolist capitalism. These phenomena inevitably evolve from the basic economic law of modern capitalism.

Imperialism is the progressing oppression of the nations of the world by a handful of great powers, the era of wars between these powers for the expansion and stabilization of oppression of enslaved nations. During the era of imperialism the framework of the national problem expands and by the very course of events this question fuses with the overall problem of colonies. Thus national oppression changes from a domestic problem into an international one, the problem of the policy of the imperialist powers which is aimed at enslaving weaker nations by any means, up to and including armed force and war.

A situation is being created in which the world is divided into 2 camps, the camp of a handful of capitalistically well developed countries possessing financial capital and

exploiting the vast majority of the world's population and the camp of oppressed and exploited nations of colonies and dependent countries which constitute the majority of mankind.

During the era of imperialism the most remote corners of the earth are drawn into economic circulation. Thousands of threads bind the entire world together. The formation of the capitalist system of world economy comes to an end. During the period of imperialism separate countries and separate colonial economies cease to be self-sufficient units. They become links in the single chain called a world economy.

As is well known, colonies existed long before imperialism and even before the rise of capitalism in general, but the role and importance of colonies under the conditions of the various social and economic formations are different. Even the colonial policy of premonopolist capitalism differs essentially from the colonial policy of the period of imperialism.

The role and importance of colonies during the era of imperialism are determined by the basic economic law of modern capitalism. It is precisely the necessity of obtaining maximum profits which forces monopolist capitalism to take such risky steps as the enslavement and systematic plundering of colonies and other backward countries, the conversion of a number of independent countries into dependent ones. The specific conditions for the struggle to seize other people's territories during the era of imperialism differ fundamentally from the conditions of the colonial policy of preceding eras. This difference lies primarily in the following. First, during

the era of imperialism the territorial repartition of the world is completed and the next item on the agenda is the struggle to redivide it. Second, with the domination of monopolies and of finance capital, and with the predominant importance of the export of capital, there is a gigantic increase in the role of colonies as compared with all the preceding eras. To the numerous former motivating stimuli of the colonial policy, finance capital has added the struggle for sources of raw material, for the export of capital, and for spheres of influence in general.

The struggle for sources of raw material plays a tremendous role in the unceasing rivalry among monopolies and among the imperialist powers standing behind them.

The development of industry in the largest capitalistic countries caused the need for gigantic masses of raw material. There was a tremendous increase in the amount of cotton, wool, iron ore, nonferrous metals, etc processed by capitalist industry. New branches of industry needed new types of raw material, including rubber, petroleum, nonferrous metals, chemical raw materials, etc.

The domination of monopolies is strongest when the monopolies seize sources of raw materials. The monopolist possession of sources of raw materials gives tremendous advantages in the competitive struggle to obtain the maximum profits. Monopolies apply their efforts to make it completely impossible for their enemy to compete, by depriving him of sources of raw materials. "The higher the development of capitalism, the stronger the sense of shortage in raw materials,

and the more acute the competition and chase for sources of raw material in the whole world, the more desperate the struggle to obtain colonies" (V. I. Lenin, Soch., Vol 22, page 247).

On the eve of World War I the share of colonies and semicolonies came to about 64% of the copper produced in the capitalist world; more than 96% of the tin; 54% of the lead; 97% of the rubber; 95% of the nickel; 82% of the gold; 70% of the silver; 67% of the wool; 99% of the jute; and 97% of the peanuts.

The domination of finance capital over the world has created a number of transitional forms of state dependence, under which countries formally possessing their political independence are actually in a dependent status. The monopoly capital of the US actually dominates in a number of states in Latin America. Frequently economic and political dependence is reinforced by corresponding treaties granting military bases and authorizing the presence of the troops of the particular power on the territory of the formally independent country.

The exploitation of colonies plays the most prominent role in the entire economy of the imperialist countries. The tribute obtained by the monopolies by enslaving and systematically plundering colonial and dependent countries is one of the principal sources of the maximum capitalist profit during the era of imperialism. The systematic exploitation of foreign countries, especially backward countries, is one of the principal features of the basic economic law of modern capitalism.

Colonies and dependent countries serve as the most profitable sphere of applying capital exported by imperialist states. The overwhelming mass of capital investment of imperialist powers abroad is located in the countries of the colonial world. These capital investments guarantee the monopolies a steady intake of tribute and at the same time serve as an effective means of their complete domination in the economy of dependent and colonial countries. With the aid of their capital investments the monopolies of the imperialist states convert colonies and dependent countries into parasitic and raw material appendages to the economies of the home countries.

The growth of the national-liberating struggle of the oppressed peoples of the colonies and dependent countries undermines the foundations of imperialism and prepares for its destruction. The colonies are changing from a resource of imperialism into a resource of the proletarian revolution. During the period of imperialism the liberating struggle of the peoples of the colonial and dependent countries takes on a previously unheard-of scope.

By the beginning of the twentieth century, particularly after the first Russian revolution of 1905, the working masses of the colonial and dependent countries were awakened to political life. The revolutionary movement rose in China, Korea, Persia, and Turkey. Having in mind the broad democratic movement in China, Lenin emphasized in 1912 that a quarter of the earth's population had made the change, so to speak, from dormancy to light, movement, and struggle. Since that time the national liberating movement of the oppressed

peoples of colonies and dependent countries has grown into a gigantic force and won tremendous victories affecting world history.

A new era in the life of all mankind, including the oppressed peoples of the colonial world, was opened up by the Great October Socialist Revolution, which dealt world capitalism a blow from which it is not yet able to recover. It not only shattered the domination of imperialism in the home countries, but also struck at the colonial rear areas of imperialism. The victory of the socialist revolution in Russia met the most vital response in the entire vast colonial periphery of imperialism. It gave a mighty stimulus to the national liberating struggle of the great Chinese people and the peoples of many other countries in Asia. There was opened an era of colonial revolutions aimed at destroying imperialist oppression and feudal shackles. The working class, emerging as the most consistent and decisive warrior against imperialism and feudalism, capable of rallying around itself vast masses of the peasantry and all the workers, became the guiding force in the colonial revolutions.

A tremendous stimulus was given to the national liberating movement in the colonies by World War II and its main result, the crushing of the principal centers of fascism in Europe and the Far East, fascist Germany and imperialist Japan, by the armed forces of the Soviet Union. Many colonial and dependent countries took part in the war against the fascist aggressors. Some of these countries were the scene of military actions and for a definite period of time were in the zone of

enemy occupation. During the course of the war the colonial powers, England, the US, France, and Holland, proved to be unable to defend their colonial possessions (Singapore, Burma, the Philippines, Indo-China, and Indonesia) from the Japanese imperialist usurpers. This fact was a strong influence in disabusing the broadest masses of the population in the colonies of the idea of the colonizers' right.

In a number of instances the national liberating struggle which had already sprung up under the conditions of Japanese occupation took on the nature of partisan warfare, and after the Japanese imperialists were chased out this struggle continued to develop under the slogans of liberating the country from all kinds of colonial yokes and winning national independence.

As a result of World War II there was an unprecedented aggravation of the crisis of the colonial system. The peoples of many colonial and dependent countries rose to the struggle against the imperialist yoke, taking weapons in their hands to strive for independence and national sovereignty. As a result of the war and the mighty growth of the national liberation struggle of the oppressed peoples of the colonial world the colonial system of imperialism is actually breaking down.

A new situation was created in Asia. The victory of the Chinese revolution dealt one of the greatest defeats to the imperialistic system as a whole. For many decades the struggle of the imperialist powers for domination in China created an especial tension in the international relations in Asia and the Pacific Ocean basin. Now the Chinese People's

Republic, created by the close ties of friendship and cooperation with the Soviet Union and all the other countries of the socialist camp, is emerging as a mighty stabilizing factor in that region. Once and for all China has ceased to be a pawn in the imperialist game or an object of exploitation. It has acquired complete national sovereignty and is carrying out its own independent policy on the international scene.

Essential changes have also taken place in other countries of Asia and the Pacific Ocean basin. Under the onslaught of the national liberating movement in India, British imperialism was forced to remove its colonial administration from that country. India was divided into 2 dominions, the Indian Union and Pakistan, in which the authority was transferred into the hands of the local dominating classes. Instead of colonial India, today there is an Indian Republic which plays an increasingly more important role on the international scene. In addition to India, Burma, and Indonesia threw off the colonial regime. In a number of other countries the domination of the colonial powers is meeting ever-growing resistance on the part of the broadest segments of the population which are struggling for national freedom and independence and for the elimination of the economic and political shackles of imperialism.

For more than 3 years the American aggressors waged a criminal and predatory war against the peace loving Korean people. But the Korean people, together with the Chinese people's volunteers who came to their aid, frustrated the plans of the interventionists. The historic merit of the freedom loving Korean people and the Chinese people's volunteers lies

in the fact that they defended the cause of peace in Asia and inflicted a major blow on the imperialist plans of enslaving the peoples of the East. American aggression in Korea became so militarily shortsighted and so abhorrent to all the nations of the world that in July 1953 the ruling circles of the US had to sign an armistice agreement. The conclusion of an armistice in Korea was viewed by the peoples of all countries as the failure of the adventurist plans of the aggressors and as a major victory of the peace loving forces over the forces of war.

For 8 years the people of Vietnam carried on a selfless struggle against its foreign enslavers. In vain the French colonizers and American imperialists attempted to stifle the national liberating movement of the Vietnamese people and to drown in blood the Democratic Republic of Vietnam. As a result of agreements reached at the Geneva Conference of July 1954 an end was put to the war in Indo-China. These agreements marked the international acknowledgement of the national liberating struggle of the peoples of Indo-China, its great sacrifices, and heroic efforts.

In Asia, whose population is approximately 1.4 billion persons, or more than half the population of the entire world, there has been a decisive change to genuine national freedom and economic rebirth. Only somewhat less than half the population of Asia is now living in the people's democracies which have left the camp of capitalism and have taken the path of the construction of socialism. There has been a steady growth of the national liberating movement in other countries

of Asia and in the Near and Middle East. The imperialists have made vain attempts to disrupt the great process of rebirth of the peoples of the East, a process which constitutes one of the most important features of modern development. The failure of American intervention in Korea and the thwarting of the military plans of the French and American imperialists in Indo-China have demonstrated graphically that the time has irrevocably passed when the imperialists can, by dint of arms, force their will on the peoples of Asia and suppress their every striving for freedom and independence.

The gigantic scale of the national liberating struggle of the peoples of the colonial and dependent countries, and the heroic resistance of these peoples to all attempts to forcibly restore the colonial yoke show that in the present situation it is no longer possible to enslave peoples which have learned the blessings of freedom and independence.

The Basic Economic Law of Modern Capitalism

The main features and requirements of the basic economic law of modern capitalism lie in guaranteeing the maximum capitalist profit by exploiting, ruining, and impoverishing the majority of the population of a particular country, by ruining and systematically plundering the peoples of other countries, especially backward countries, and by wars and the militarization of the national economy, which are used to guarantee the highest profits for the monopolies.

The basic economic law of imperialism is the concretization and further development, applicable to the conditions of monopolistic capitalism, of the basic law of capitalism in

general, that is, the law of surplus value, which was revealed and proved by Marx in Das Kapital. In the foreword to Das Kapital Marx wrote that the final aim of that work was to reveal the economic law of the movement of modern (that is, capitalist) society. Marx uncovered that law in the form of the law of surplus value, the law of the birth and growth of capitalist profit. "The production of surplus value or profit, such is the absolute law of this means of production," Marx wrote (K. Marx, Kapital, Vol. I, 1953, Gospolitizdat, page 624).

Lenin called the doctrine of surplus value the keystone of Marx's economic theory. In one of his letters to Engels, noting "the best thing" in Das Kapital, Marx emphasized the research on surplus value irrespective of its peculiar forms, such as profit, interest, land rent, etc. It is precisely the research on surplus value irrespective of those specific forms which it acquires on the surface of the phenomena of capitalist society, research carried out for the first time in the history of economic science by Marx, which signified the discovery of the inner mechanism of capitalist exploitation. The category of surplus value expresses the basic production relation of capitalist society, that is, the relation between the proletariat and the bourgeoisie as the basic antagonistic classes of that society. The norm of surplus value expresses the degree to which the bourgeoisie exploits the proletariat. An increase in the norm of surplus value means an intensification of capitalist exploitation.

Under conditions of premonopolistic capitalism the mechanism of competition among the capitalists leads, by means of continuous variations of prices of goods, to an

overdistribution of the entire mass of produced surplus value, as a result of which the norm of profit obtained by the individual capitalists more or less levels off. The transition from the domination of free competition to the domination of monopolies introduces essential changes into that process. The raison d'être and goal of monopolies is to guarantee the monopolistically high maximum profit. At the same time, during the era of imperialism, monopolistically high maximum profit is a necessary prerequisite for expanded reproduction, since under imperialism the expansion of production in the decisive branches of industry requires vast investments of fixed capital. Vast enterprises clash in the competitive struggle not for life but for death, and this struggle entails colossal losses, and the wastefulness of the capitalistic order and the nonproductive expenditures reach unheard-of dimensions. Under these conditions only an influx of monopolistically high maximum profits makes it possible for large scale and gigantic monopolies to carry out expanded reproduction at a more or less regular rate.

In the chase for maximum profit the monopolies take all steps to intensify the exploitation of the working class. They lengthen the work day for employed workers at the same time that vast numbers of the proletariat cannot find work for themselves and are doomed to hunger. The monopolists strive for an excessive increase in the intensity of labor, by which the manpower of the proletarians is expended at a predatory rate. All this means a previously unheard-of increase in the norm and bulk of surplus value squeezed out of the workers by the capitalists.

As is well known, the norm of surplus value is an index of the degree to which the bourgeoisie exploits the proletariat. The calculated norms of surplus value come up against considerable difficulties as a result of the fact that the official statistics of capitalist states uses all kinds of means of falsifying the actual state of affairs. Under such conditions any calculation inevitably is of an extremely approximate nature. Despite that fact, a calculation made according to a definite method for a long period of time nevertheless shows the tendency of development. For example, according to the extremely cautious calculations of academicien Varga, a norm of surplus value in the registered industry of the US was 128% in 1899; 130% in 1909; 158% in 1929; 200% in 1939; and 253% in 1950.

According to data cited in a book by the progressive American journalist Hershel Meyer, in the mining industry of the US the income obtained by capitalists for each employed worker increased from 1939 to 1947 by more than 4 times; in the automotive and steel-casting industry, 5 times; in the textile industry, by almost 10 times. A total number of 27,500,000 families which earned less than 80 billion [sic] dollars in 1951 produced goods valued at 200 million dollars during the same year.

The low-paid categories of the working population are subjected to especially severe exploitation. These categories are women, children, elderly workers, and workers belonging to oppressed nations. The inhumane exploitation of Negro workers is a real goldmine for American monopolies. For example,

according to official data in the US in 1950 the average yearly wages of white workers and employees was \$2,481, but of Negro workers was only \$1,295. Discrimination in paying female labor is attested to by the fact that the average yearly wages of women, \$1,285, is less than men's wages. In the same year, 1951, half of all white women earned less than \$1,498, and half the Negro women less than \$625. According to the calculation of the progressive American economist Victor Perlo, American capitalists obtained about 4.4 billion dollars of additional profits in 1950 by exploiting Negro workers.

Monopolies seize not only the product of surplus labor, but also a considerable part of the product of the necessary labor of workers by increasing the degree of gap between the worker's real wages and the value of its manpower. Monopolies mercilessly exploit its workers and all other workers as consumers. Excessively high monopoly prices of consumer goods, the tremendous growth of housing costs, and high taxation all mean a catastrophic reduction in the workers' wages.

Monopoly prices to a tremendous degree exceed the level of prices which is determined by the socially necessary costs of production. Monopolies are able to sell goods at inflated prices. With this aim they limit the amount of production at their own enterprises, hold goods at warehouses, close off access to raw material, or else simply destroy stocks of goods. Under free competition, with the existence of a large number of separate enterprises these operations could not last for any long period. If one entrepreneur began to sell his goods at inflated prices, competing capitalists would knock those prices down. But monopolies dominating the market can keep

prices at a high level for a long time. Thus a considerable amount of the goods are sold not at the prices of a free market, but at prices dictated by the leading monopolies. By inflating prices the monopolies impose tribute upon a population which pays that tribute out of its own income.

However the fact that a considerable amount of the goods are sold not at the prices which would develop with the domination of free competition but at prices dictated by the monopolies in no way means that the law of values ceases to operate. Monopoly price is first a means of considerably reducing the workers' real wages, second a means of robbing small scale producers, primarily the peasants, and third a means of pumping a portion of the profits of unmonopolized branches and enterprises into the pockets of the monopolists. But this pumping operation cannot increase the overall bulk of the value produced in society or the surplus value. What the monopolies win, the nonmonopolistic enterprises, small scale producers, and workers lose. Long ago Marx in Das Kapital pointed out that a monopoly price cannot destroy the "boundaries determined by the value of goods" (K. Marx, Kapital, Vol III, 1949, Gospolitizdat, page 875).

Thus the law of value continues to remain completely in effect under the domination of monopolies. But the method of its operation undergoes a change. Whereas during the pre-monopolistic era the prices were established through the medium of free competition which served as the mechanism for the operation of the law of value, during the era of imperialism free competition is replaced by the domination

of monopolies, which use that domination on the market in order to sell goods at monopoly prices guaranteeing the monopolistically high profit.

But since private ownership of the means of production and the appropriation of the output of production remain the basis of monopolies, the struggle to divide the catch among the capitalists takes on especially acute forms. The oppression of a group of omnipotent monopolists over the masses of the people becomes more and more insufferable. In that sense Lenin pointed out that "the development of capitalism has reached a point where, although as formerly the production of goods 'reigns' and is considered the basis of the entire economy, actually it has already been undermined and the main profits go to the 'geniuses' of financial swindles" (V. I. Lenin, Soch., Vol 22, page 195).

Monopolies exact a tremendous tribute from small scale producers, namely peasants, farmers, and tradesmen. Individual small scale producers who are forced to buy industrial goods at high monopoly prices are dictated to by monopolies, who force one-way agreements on them regarding the sale of products. By ruining the peasants and fleecing the urban consumers, the monopolies collect the tremendous difference between the prices at which the peasant sells agricultural produce and the prices at which the urban consumer buys them. Since they constitute a method of getting additional funds out of agriculture, monopoly prices restrain its development.

Under the conditions of imperialism Marx's tenet that the exploitation of the peasants differs only in form from

the exploitation of the working class emerges especially graphically. The oppression of monopolies and banks leads to the last degree the illusory nature of the independence of the overwhelming majority of small scale and medium scale peasants. In capitalist countries monopolies have farmers at their disposal like day laborers. "A farmer engaged in growing vegetables," the American economist Williams writes in his book on the state of agriculture in the US, "has been brought down to a state which is extremely close to that of a serf."

Monopolies are completely free to dictate the prices on the one hand of the output produced by the farmers, and on the other hand of the industrial goods purchased by the farmers. And the prices of raw material and food supplies sold by the peasants are fixed at an extremely low level, but the prices of artificial fertilizers, farm machinery, and other industrial goods are excessively inflated. As a result of the boss methods of monopolies there is a tremendous gap between the price paid to the farmers for their produce and the retail price of the same produce purchased by the consumers. For example, the share of farmers in the retail price of agricultural produce in the US, according to data for November 1950, was, for white bread, 16.3%; canned peaches, 15.2%; canned tomatoes, 19.3%; cabbage, 22.1%; canned corn, 24.8%; and oatmeal, 30.5%. It is significant that the share of the farmers in the total sum of consumer expenditures, even according to the official data of governmental statistics, shows a tendency towards a steady drop. This share was 54% in 1945; 50% in 1951; and 45% in December 1952.

The ruination of the bulk of the peasantry is the result of the steady plundering of small scale agricultural producers by the monopolies. In the US the number of farms dropped from 6.1 million in 1940 to 5.4 million in 1950, that is, dropped by 700,000. In addition the number of farmers forced to work on the side in order to support their families increased from 943,581 in 1939 to 1,269,000 in 1949. According to official 1949 information, of 4,269,000 American farmers 2,585,000 had a total annual income of from \$4,500 to \$1,000. Small scale farmers are ruined by the thousands and fill the ranks of the landless migratory farmhands, whose average yearly "income" in 1949 was \$352 from farm operations plus \$162 from all other secondary earnings.

The payment of excessive tribute to monopolists intensifies the impoverishment of broad segments of the population and leads to a worsening of the living conditions of the masses of the people. A curtailment of the purchasing capacity of the domestic market inevitably causes an intensification of the struggle for foreign sales markets.

Thus the maximum profit of monopolies is obtained by ruining and impoverishing the majority of the population of each capitalist country.

Furthermore monopolies strive for the maximum profit by enslaving and robbing the peoples of other countries, especially backward countries. The forms of this robbery are extremely diverse. Monopolies receive an abundant tribute from the enslaved peoples of the dependent and colonial countries in the form of profits from capital investments and

in the form of income from transport, insurance, and financial operations. Modern capitalism has developed a refined system of sucking out the vital juices from the population of scores of countries with varying degrees of dependence upon a few monopolist groups. Monopolies made it a wide practice to carry out nonequivalent exchange. The colonial and dependent countries are forced to buy goods at inflated prices from the monopolies of the ruling countries and to sell them raw material and food supplies for a pittance.

For example in 1948 the Central American republic of Honduras, which is dependent upon American imperialism, exported 3.5 times more bananas than it did in 1939 in exchange per m^2 of cotton cloth. In 1948 New Zealand gave England in exchange per m^2 of cotton cloth 2.6 times more meat than in 1938. Per m^2 of cloth imported from France, Algeria exported 1.9 times more potatoes in 1951 than in 1938.

A gigantic source of the monopolies' profit is the resale of goods bought up for a pittance in colonies. For example in 1952 the British monopolies bought up coffee in the colony of Uganda at a price of 200 pounds sterling per t, and sold it on the foreign market at 512 pounds sterling per t, that is, at a price 2.6 times higher. The purchase price which British monopolies set for cocoa beans in the colony of the Gold Coast was 128 pounds sterling per t in 1952, but the cocoa beans were sold on the foreign market at 294 pounds sterling per t, that is, at a price 2.3 times higher.

The exploitation of colonies and dependent countries at the present time is of greater importance for world-wide

capitalism than it has ever been. Despite the bourgeois theories alleging that the importance of the colonies for the imperialist powers is decreasing, their importance is actually increasing. For example in 1938 the countries of the British Empire absorbed 45% of British exports and yielded 37% of British imports, but in 1951 the figures were 49% and 41% respectively. It is precisely the rotting of capitalism which makes it especially important for it to have a steady intake of tribute from dependent countries. In this regard the long range plans which the American monopolies are linking with Truman's so-called Point Four program, a program concerned with the so-called technically backward countries, are characteristic. The actual essence of that program is, as is well known, the widespread expansion of American monopolies into the colonies and dependent countries.

During the 6 postwar years, from 1945 through 1951, the sum of new direct capital investments of the US abroad was \$7.5 billion. The total income of the US from direct capital investments abroad during the same period was \$9.6 billion. During the modern period the exploitation of the undeveloped countries by finance capital of the imperialist powers is being brought to a point where an increase of foreign capital investments in the backward countries, which are made on extremely one-sided conditions, occurs moreover at the expense of funds obtained from the exploitation of the same backward countries. In this regard the data of the Economic Commission of the United Nations for Latin America are very telling. According to this data the influx of foreign capital, chiefly North American, into the countries

of Latin America during the period from 1945 through 1952 was \$2.08 billion. During the same period the countries of Latin America were forced to transfer abroad \$5.829 billion in payment of profits and interest on foreign capital investments. Thus the countries of Latin America not only are completely financed by foreign capital investments, but are deprived of almost twice the amount of their own funds necessary for the development of their own economy. Solely during the period from 1950 through the third quarter of 1953 inclusive, the profits of American monopolies from direct investments abroad, according to official data, exceeded by \$2.57 billion the new American direct capital investments abroad. According to a report in the Chilean newspaper, El Siglo, of 15 January 1954, the Braden Copper Mining Company which mines copper in the El Teniente area and has capital of 2,332,000 dollars, in 1953 obtained a profit of \$18,555,480, or 800% of the invested capital.

The norm of profit for direct capital investments of the US as compared with the norm of profit in the processing industry of the US was 665% higher in Latin America and 45-114% higher in colonial and dependent countries.

As a whole, according to the evaluation of the progressive American economist, Perlo, the norm of profit for the foreign capital investments of the US is approximately twice the average norm of profit in the US. It is characteristic, for example, that according to the reports of Standard Oil, the profits of that company in 1938 were 11% in the US and 38% abroad. The Firestone firm received 7% in the US and 26% in other countries,

and Anaconda Copper, 5% in the US and 13% abroad. In 1949 the American companies obtained \$700 million profit in trading in Brazilian coffee and \$400 million in trading in bananas from Central America.

Imperialism changes colonial and dependent countries into agrarian and raw material appendages of the home countries. Colonial powers artificially restrain the development of the productive forces in the countries subject to them. The one-sided development of the economy of backward countries dooms their population to an impoverished standard of living.

In the so-called undeveloped countries, in Latin America, Africa, a number of countries of Asia, the Near and Middle East, heavy industry is completely or almost completely lacking. For example, in all the countries of Africa taken together, with a population exceeding 200 million, a total of 1.2 million t of steel is smelted each year. In all the states of Latin America taken together, where 170 million people live, the annual steel production is 1.7 million t. At the same time, in Belgium, with a population of 8.7 million, 5 million t of steel are smelted, that is, considerably more than in undeveloped countries whose total population reaches one billion. The imperialist powers strive to preserve and perpetuate in the colonies and semicolonies the most backward forms of social and political life, artificially supporting feudal and semifeudal relations and regimes, and relying upon the most reactionary exploiter elements of the local population.

However, even the one-sided perverted development of capitalist production cannot help but corrupt the former, pre-capitalist relations in the backward countries. The basic classes of capitalist society, the bourgeoisie on the one hand and the proletariat on the other, spring up and develop there. Racial discrimination, an excessively long work day lasting as much as 14-16 hours, starvation wages, political lawlessness, such is the lot of the workers in the colonial and dependent countries. At the same time imperialist oppression and the existence of feudal survivals doom the agriculture of those countries to germination and decline and the peasant masses to poverty and hunger. Monstrous exploitation and insuperable oppression inevitably give rise to the indignation of broad masses of the population.

Finally, one of the most important methods of guaranteeing the maximum profit of monopolies is war for the reapportionment of the earth, which is inevitable during the era of imperialism. War is a terrible thing, but war is a terribly profitable thing, Lenin wrote during World War I. World War I served as a source of unprecedented enrichment of monopolies in the capitalist countries, primarily the US. The profits of American monopolies, which before the war were an average of \$5.3 billion a year, increased to \$22.7 billion during the war, that is, they increased by more than 4 times. The armaments race and the complete militarization of the economy effected by American imperialism and its partners in west Europe during the postwar years bring the monopolies still greater profits. For the sake of the maximum profit monopoly capital is attempting to incite a new world war which will

inevitably bring about the destruction of capitalism.

Monopolies, by subordinating the state apparatus to themselves, use the militarization of the economy to redistribute the national income to their own advantage. Taxes are used to rob not only the workers but also the peasantry and broad segments of the masses of the people in urban and rural areas.

The basic economic law of modern capitalism, the law of maximum profit, determines all the principal aspects and all the processes of the development of imperialism.

III. THE HISTORIC PLACE OF IMPERIALISM

Imperialism as a Special Stage of Capitalism

The Leninist theory of imperialism, by revealing the link and interdependence of the 5 basic signs of imperialism, at the same time determines the historical place of monopolist capitalism.

In the process of transition from premonopolist capitalism to imperialism, the replacement of capitalist free competition by capitalist monopolies is economically basic. If it were necessary to give the shortest definition of imperialism, Lenin pointed out, it would have to be said that it is the monopolist stage of capitalism. As a result of Lenin's profound and complete research, the definition of monopolist capitalism is enriched, developed, and made concrete. A definition of imperialism encompassing its 5 principal economic signs states that imperialism is capitalism at that stage of development when the domination of monopolies and finance capital has

developed, the export of capital has acquired exceptional importance, the division of the world among international trusts has begun, and the division of the entire territory of the earth by the gigantic capitalist countries has come to an end.

Giving this definition of imperialism, Lenin points out: "We shall see further below how it is possible and necessary to define imperialism differently if we have in mind not only the basic, purely economic concepts (to which the definition cited limits itself), but also the historical place of the given stage of capitalism with regard to capitalism in general or the relation of imperialism and the 2 basic trends in the workers' movement. Now it is necessary to note that, understood in that sense, imperialism is undoubtedly a special stage in the development of capitalism" (V. I. Lenin, Soch., Vol 22, page 254).

Thus Lenin emphasizes that imperialism is a special stage in the development of capitalism. This characterization of imperialism contains, in addition to its economic essence, a definition of the historical place of imperialism with respect to capitalism in general, as well as "the relation of imperialism and the 2 basic trends in the workers' movement."

It is easy to understand what Lenin wanted to say by these words which he wrote for legal and censored publication. The 2 basic trends in the workers' movement which are under consideration here are the revolutionary Marxists on one side of the barricade and the reformist traitors of socialism on the other. Thus the matter under consideration here is the historical place of imperialism with respect to the socialist

revolution and to the fundamental tasks of the revolutionary struggle of the proletariat. A definition of the historical place of imperialism which encompasses all these factors no longer limits itself to "purely economic concepts." A definition of the historical place of imperialism includes a consideration of the changed conditions in the struggle of the working class for socialism, an analysis of such phenomena as the increase of political oppressions, the crisis of bourgeois parliamentarianism and bourgeois democracy, the intensification of reaction in all walks of life in capitalist society, the bribery of the corrupted upper stratum of the working class by the bourgeoisie, the gigantic growth of militarism, etc. All these phenomena find their exhaustive explanation in the Leninist theory of imperialism. They prove to be not accidental episodes but interrelated aspects of the overall process of the decaying and dying out of capitalism.

The historical place of imperialism with respect to capitalism is in general characterized by an unheard-of increase and aggravation of all the contradictions of the bourgeois order, which lead inevitably to imperialist wars and titanic class struggles. The total aggregate of information on the fundamentals of the economic life of the entire bourgeois world shows the gigantic intensification of the antagonistic contradictions of capitalism, economic and political, class and national. This intensification of the contradictions is the most powerful motivating force of the historical period of the revolutionary crushing of capitalism. It is precisely the extreme intensification of all the contradictions of capitalism, an intensification which is

characteristic of the era of imperialism, which determines the historical inevitability of the destruction of capitalism and the victory of the socialist revolution.

In his work, Imperializm i raskol sotsializma [Imperialism and the Schism of Socialism], written in 1917 and published in the illegal party press, Lenin, pointing out that imperialism is a special historical stage of capitalism, wrote: "This peculiarity has a 3-fold nature: imperialism is (1) monopoly capitalism, (2) parasitic or decaying capitalism, and (3) dying capitalism" (V. I. Lenin, Soch., Vol 23, page 94).

Imperialism as Monopoly Capitalism

According to its economic essence imperialism is monopoly capitalism. This itself determines the historical place of imperialism. Lenin revealed the 4 principal types of monopolies, or the principal manifestations of monopoly capitalism.

First, monopoly grew out of the concentration of production which had reached a very high level of development. This includes monopolist associations, such as cartels, syndicates, trusts, etc. They play a tremendous role in the economic life of capitalist countries. The birth of monopolies from the concentration of production and their complete pre-dominance in the economy and politics represent the basic fact characterizing the new stage in the development of capitalism.

Second, monopolies led to the intensified seizure of the most important sources of raw materials, especially for the basic branches of heavy industry, which are distinguished

by the unlimited domination of monopolies. Monopolist mastery of the most important sources of raw materials, especially intensifies the oppressive tactics of a few groups of magnates of finance capital by intensifying the contradictions in the camp of the capitalists.

Third, monopoly grew out of banks which change from modest middleman enterprises into monopolists of finance capital. In each of the well developed capitalist countries there are 3-5 gigantic banks which carry out the "personal union" of industrial and bank capital and control sums of money in the billions, which constitute the bulk of the country's capital and monetary income. The most obvious manifestation of this monopoly is the oppression by a financial oligarchy which, in one form or another, subordinates to its power all the economic and political institutions of bourgeois society, without exception.

Fourth and last, monopoly grew out of colonial policy. Finance capital opened up a new stage in colonial policy which is characterized by a severe struggle for colonies as sources of raw materials, sales markets, and spheres for the application of capital. The old colonial policy which unmonopolistically, on the order of "free seizure" of land, was replaced when the division of the earth was complete by the era of the monopolist mastery of colonies and the inevitably resultant and especially intensified struggle for the division and redivision of the earth.

Imperialism as monopoly capitalism is characterized by an unprecedented intensification of the basic contradiction

of bourgeois society, namely the contradiction between the social nature of production and the private capital form of appropriation.

Monopoly unites gigantic enterprises into one, unites the labor of hundreds of thousands of people, takes over sales markets and sources of raw materials, and concentrates in its hands trained cadres, scientific forces, inventions and improvements. Thus the domination of monopolies leads to collectivization of production to an extreme which is possible under capitalism. But this gigantic process of collectivizing production serves the interests of a handful of capitalists. The masses of the people not only do not receive any benefit from the tremendous development of the productive forces, but their poverty and exploitation increase to extreme limits. Thus, in Lenin's expression, the gigantic progress of mankind which had worked its fingers to the bone before that collectivization is all for the benefit of speculators. Such is the crying contradiction in which the reactionary nature of monopoly capitalism is so brilliantly expressed.

The high degree of collectivization of production attests to the fact that all the material prerequisites for the socialist transformation of society have already been present for a long time. Thus the contradiction between the social nature of production and private capital appropriation emerges more sharply.

This contradiction is revealed in the fact that, in addition to the collectivization of production by monopolies,

there is also an intensification of the struggle among them and an increase in the anarchy of social production. Imperialism not only does not eliminate the contradictions of capitalism and its inherent anarchy but, on the contrary, increases these contradictions to an extremely critical degree, complicating and intensifying them.

Formerly, under the domination of free competition, numerous individual entrepreneurs fought among themselves. Now the struggle goes on for sales and raw material markets, for the profitable investment of capital, and for all types of capitalist profit. The struggle rages among monopolies operating in one and the same branches, among alliances of capitalists in various branches, and among trusts and "wild men," that is, entrepreneurs remaining outside the associations. Finally, within the monopolies there is a constant struggle for the influential positions and the cushy deals. Competition takes on varied, confused, complex forms and achieves an unprecedented criticalness. Lenin emphasized that imperialism cannot eliminate exchange, markets, competition, depressions, etc. The most essential peculiarity of imperialism is not the pure monopolies, but the monopolies coexisting with exchange, markets, competition, and depressions.

The oppressive and arbitrary tactics of monopolies during the era of imperialism make competition, "the war of all against all," especially destructive. For more than a hundred years the bourgeoisie has boasted of the "freedom of competition" as the highest achievement of human civilization, as a necessary prerequisite for the freedom of the

individual, the development of initiative and private enterprise. During the era of imperialism, competition, according to Lenin, means an unprecedentedly bestial suppression of private enterprise, energy, the daring innovation of the mass of the population and the gigantic majority of the workers, and also means the replacement of competition by finance swindling and despotism.

Just as there is not and cannot be any "pure capitalism," the existence of "pure imperialism" is also unthinkable. Lenin pointed out that monopoly capital did not exist and could not exist anywhere in the world without free competition in a large number of branches. At the monopolist stage of capitalism the economic laws of capitalism in general retain their full force and their action becomes more and more destructive. Lenin's analysis of imperialism points out the unity and at the same time the struggle between monopoly and competition and the mutual penetration of principles which are contradictory to one another. "It is precisely that combination of 'principles' which are contradictory to one another, that is, competition and monopoly, which is essential to imperialism, it is precisely that combination which prepares the crash, that is, the socialist revolution" (V. I. Lenin, Soch., Vol 24, page 247).

Imperialism as monopoly capitalism signifies a new stage in the development of the basic contradiction of capitalism, the contradiction between the social nature of production and the private capital form of appropriation. "Production becomes social, but appropriation remains private. The social means of production remain the private

property of a small number of persons. The general limits of the formally acknowledged free competition remain and the oppression of the bulk of the population by a few monopolists becomes a hundred times more severe, more perceptible, and more insuperable" (V. I. Lenin, Soch., Vol 22, pages 193-194).

Therefore, the freedom of competition, by giving birth to concentration, led to the victory of monopolies which are destroying the freedom of competition and at the same time are making the competitive struggle in the capitalist world incomparably more severe, destructive, and devastating. Monopolies are not an accidental phenomenon which could be eliminated even if the fundamentals of capitalism were retained but on the contrary are a regular and inevitable result of the development of the internal laws of the capitalist method of production.

Lenin's analysis of the transition from free competition through concentration to monopolies leads to the invariable conclusion, that is, in order to put an end to monopolies it is necessary to put an end to private ownership of the means of production, that is, the very basis of capitalism. At the present time this path as the only path achieving the aim has been confirmed not only in the experience of the Great October Socialist Revolution in the USSR, but also in the experience of a number of other countries which broke away from the imperialist system and established a regime of the people's democracy.

Under imperialism a bourgeois state, whatever its form may be, is completely and entirely subordinate to monopolies.

During the era of imperialism a bourgeois state is a dictatorship of a group of monopolists who subordinate state authority and its apparatus to themselves in the struggle to receive the maximum profits, gain domination in the market, and to redivide the world. A state which is subordinate to monopolies puts at their disposal treasury funds which are beaten out of the working population by means of all kinds of taxes and extortions. The state carries out a policy which contributes to the expansion of monopolies in foreign markets. The state authority provides the monopolies with profitable orders bringing in especially fat profits. The entire domestic and foreign policy of a bourgeois state is directed at strengthening the power of the monopolies and at providing them with the maximum profits.

In any capitalist country, whatever its political structure may be, the governments are placed in power not by the people, but by the magnates of finance capital. The entire mechanism of bourgeois democracy, that is, the electoral systems and the uncontrolled power of the monopolies over an apparatus for stupefying the population, police terror and the system of the ruling political parties, provides the monopolies with the opportunity of controlling the state apparatus at its own discretion. But when the procedures of the bourgeois democratic system prove to be inadequate to keep the masses of the people in a state of subjection and actual disenfranchisement, the financial oligarchy rejects these procedures as unnecessary rubbish and changes over to the path of making the state structure fascist, the path of establishing the open dictatorship of finance capital.

During the era of imperialism the governments in all the capitalist countries consist either of agents and stewards of the dominant monopolies or of the monopolists themselves. In the principal country of modern capitalism, the US, the magnates of monopolies occupy the leading positions in the government especially frequently. For example from 1928 to 1932 the President of the US was Hoover, one of the biggest mining industrialists. The post of Secretary of the Treasury under Hoover's administration was occupied by the billionaire Mellon, the owner of a banking house and the head of the American Aluminum Trust. During World War II a very important role in the American government was played by Stettinius, one of the bosses of the Steel Trust; Knudsen, a chairman of the General Motors automobile firm, who headed the War Production Board; etc. After the end of the war the representatives of monopolistic organizations occupied all the leading positions in the American government. Under Truman's administration the post of Secretary of Defense was occupied by the former president of the gigantic banking monopoly of Dillon Reid and Company, Forrestal. The Secretary of the Army was Royall, a banker from the state of North Carolina. The Assistant Secretary of the Army was Draper, the vice president of the banking firm of Dillon Reid and Company, who had close connections with German monopolies. Royall's special assistant was a California petroleum industrialist, Pauley, who was mixed up in infamous speculative scandals. The Secretary of Commerce was a very prominent representative of monopoly capital, the president of the company of Brown Brothers and Harriman, W. A. Harriman. And the Under Secretary of State was a former

partner in the same firm, Lovett. At the same time, people leaving governmental service receive soft jobs in the form of extraordinarily lucrative positions in major capitalist firms, for which they are especially valuable because of their "connection" in the state apparatus. For example, former Secretary of State Byrnes occupied a lucrative position in the motion picture industry, a number of retired generals and admirals received important positions in petroleum firms, aviation companies, etc.

In Eisenhower's administration, which replaced the Truman administration as a result of the 1952 election, the rampage of the big monopolists is so great that the American press calls it the billionaires' administration. According to calculations of the progressive American trade union magazine March of Labor, before the members of Eisenhower's administration were appointed to cabinet positions, they occupied directoral positions in 84 of the largest corporations in the US, the fixed capital of which exceeds \$20 billion.

Of the 50 leading positions in the state apparatus, 22 of them, including 7 cabinet positions, are occupied by big businessmen, and 11 of them by lawyers representing monopolies. The post of Secretary of Defense is occupied by Charles Erwin Wilson, the former president of the General Motors concern. The post of Secretary of the Treasury is occupied by Humphrey, the head of the firm of Hanna and Company, which has connections with metallurgical monopolies. The Secretary of State, John Foster Dulles, has connections with the Nickel Trust and a number of other monopolies. The American ambassador in London, Winthrop Aldrich, is a chairman on the board of

directors of Chase National Bank. The American ambassador in Paris, Douglas Dillon, headed one of the largest banks for 20 years.

As long ago as World War I Lenin noted that by war and ruin all countries were forced to move from monopoly capitalism to state monopoly capitalism. War accelerated the development of capitalism, and it went ahead, from capitalism to imperialism, from monopoly to nationalization. State monopoly capitalism leads to an increase in the omnipotence of monopolies, as a result of which the "monstrous oppression of the working classes by a government which fuses more and more closely with the all-powerful alliances of capitalists, becomes more and more monstrous" (V. I. Lenin, ibid., Vol 25, page 355).

State monopoly capitalism is a military prison for the workers and for the military protection of the colossal profits of the capitalists. Bourgeois states, Lenin wrote, "regulate the economic life" in such a way that a military prison is created for the workers (and the peasants in part) and a paradise is created for the bankers and capitalists. Their regulation consists of "dragging down" the workers to the point of starvation and of guaranteeing the capitalists (secretly, by reactionary bureaucratic methods) more profits than they had before the war" (Ibid., page 309).

The entire course of the further development of imperialism during the period between the 2 world wars, during World War II, and during the years after it brilliantly affirm the correctness of Lenin's evaluation of state monopoly capitalism.

State monopoly capitalism does not limit or decrease the omnipotence of monopolies but on the contrary provides for the further and unprecedented growth of that omnipotence since the subordination of the state authority to the monopolies is intensified. There is a continuously more open conversion of the state authority into a direct instrument of monopolies in their exploitative activities and expansionist tendencies. This inevitably gives rise to a number of especially critical conflicts and contradictions. The class nature of the modern bourgeois state, which is the direct tool of the domination of a handful of monopolists, is one of the reasons for the tremendous importance of the state as a special apparatus serving the interests of the monopolies in the field of domestic and foreign policy.

The entire experience of World War II and the postwar period brilliantly confirms the profoundly contradictory nature of state monopoly capitalism. On the one hand the war-created system of state measures in the field of economic life undoubtedly led to the further growth of socialized production. On the other hand this socialization of production took place in an antagonistic form, strengthening the positions and the might of the monopolies, increasing their gigantic profits, intensifying the oppression by monopolies in all spheres of life, increasing the overall chaos and lack of organization of the capitalist system, and making still more obvious its putrescent and parasitic nature.

Under peacetime conditions a capitalist state which is entirely subordinate to the dominant monopolies helps them, by means of its entire domestic and foreign policy, to intensify

the exploitation of the working class and all the workers, to monopolize the domestic market, and helps them in foreign expansion, the export of capital, and the seizure of sources of raw materials. During depressions the state helps the monopolies to get out of difficulties at the expense of the working class and the bulk of the peasantry. Obviously measures of the state authority cannot to any degree prevent depressions or change the cyclical course of the process of social reproduction inherent in capitalism. But these measures help the monopolies to transfer the onus of the depression onto the shoulders of the working masses.

Under wartime conditions a capitalist state at the service of monopoly capital is confronted with more complex problems. War requires the mobilization of all the material resources which the country has at its disposal. It is necessary to put at the service of the war the production apparatus, stock of raw and other materials, and reserves of manpower. In other words a modern war which is waged not only by the army but by the entire country makes it necessary to mobilize all the material and human resources. But this requirement conflicts with the domination of private ownership of the means of production, in view of which in capitalist countries the trend that the utilization of all resources will take is decided by private capitalists who have an interest only in obtaining the biggest profit. This contradiction gives rise to the still more diversified activity of the state authority in the interests of the financial oligarchy with the aim of further enriching the monopolies and of providing them with the maximum profits by intensifying the exploitation of the working masses.

During World War II an important lever in enriching the monopolies was the construction of enterprises at governmental expense, as was done on an especially wide scale in the US. This activity of the state authority was an extremely outstanding manifestation of the decaying and parasitical nature of the bourgeois order. American monopolies, taking into consideration the experience of World War I which left them an inheritance of production capacities of military branches and heavy industry in general, which proved to be unprofitable and therefore were excess after the cessation of military operations, showed an unwillingness to create the enterprises necessary for war if there were no guarantee of receiving tremendous profits. Meeting the interests of the monopolies all the way, the US government, at its own expense, built thousands of enterprises during the war, expending billions of dollars from the state treasury on that construction. The enterprises constructed at state expense were transferred to private capital monopolies for operation, and after the war were sold to them for very little.

This entire operation which the flunkies of the bourgeoisie, including the leaders of the Socialist Right, attempted to depict as evidence of the creative forces of capitalism, actually is a striking indication of the incapability of the bourgeois order to cope with the productive forces of modern society. As before, the servants of capitalism talk over and over again like parrots about "the private enterprise system," "free initiative" and the beneficence of "risk," for which the capitalist entrepreneurs allegedly receive "just recompense" in the form of profits. However, actually the notorious

"initiative" and "enterprise" misfired at the most important moment, and the "risk," or speaking more precisely, the losses resulting from the inability of the bourgeois order to cope with the productive forces, were transferred by the monopolists onto the shoulders of the treasury, that is, the working population bearing the full brunt of taxation.

After World War II one of the manifestations of state monopoly capitalism was the pseudonationalization of certain branches of the economy of England. The leaders and theoreticians of the Socialist Right attempted to call this transfer of certain branches and enterprises (coal mines, railroad transport, the Bank of England, etc) into the hands of the bourgeois state, "a step toward socialism." But actually these measures were to save the life of the monopolists: by making it unnecessary for the owners of surplus enterprises to incur the risk and expenses of retooling them, the Labour government simultaneously enriched the capitalists with a lavish recompense at the expense of the taxpayers. The control of these enterprises remains in the hands of the representatives of monopolies, their former owners, but the workers at the enterprises have begun to be subjected to still more merciless exploitation. At the same time the state authorities in England, as in the US, created and sold to the monopolies for very little scores of large scale enterprises which were built at treasury expense during the war.

In the US the monopolies make wide use of the state apparatus and state treasury in the interests of guaranteeing the maximum profits by intensifying the exploitation of the

workers within the country and by means of unrestrained foreign expansion. The instruments which American imperialism uses in its foreign expansion are the notorious "aid" given on the "Marshall Plan" and a number of other similar "plans," the so-called "Truman Doctrine" and its Point Four concerning "help in the development of backward regions," the so-called "mutual security program" and similar measures aimed at enslaving and stifling foreign countries, and at the forced militarization of their economy and the preparation of a new aggressive war.

Thus state monopoly capitalism inevitably leads to an intensification of the insoluble contradictions of capitalism.

Life constantly reaffirms that with the retention of private ownership of the means of production all the steps toward the greater monopolization and to the greater collectivization of production "are inevitably accompanied by an intensification of the exploitation of the working masses, an intensification of oppression, an increased difficulty in resisting the exploiters, and an intensification of reaction and military despotism, and at the same time inevitably lead to an incredible increase of the profits of large scale capitalists at the expense of the remaining segments of the population, and to the enslavement of the working masses for many decades by forcing them to give tribute to the capitalists in the form of paying billions as interest on loans" (V. I. Lenin, Soch., Vol 24, pages 276-277). Therefore all the methods of state monopoly "regulation" of the capitalist economy intensify still more the antagonisms of the bourgeois society.

All discussions of "organized capitalism" are the reformist fabrication of the flunkies of the bourgeoisie, a fabrication having the purpose of deceiving the working masses. As long as the basis of capitalism, the private ownership of the means of production, exists, there can be no discussions of overcoming or even of lessening the anarchy of production and competition.

Unmasking the lying concoctions of the reformists who attempted to depict state monopoly capitalism as a planned economy under capitalism and even as a special variety of socialism, Lenin revealed its profoundly contradictory nature and pointed out that state monopoly capitalism inevitably leads to an intensification of the anarchy of production and to the intensification of exploitation and class antagonisms of bourgeois society. State monopoly capitalism is one of the reasons for the further intensification of the basic contradictions of capitalism, by accelerating the collectivization of production and at the same time intensifying the oppressive tactics of monopolies, the anarchy and chaotic nature of the capitalist system of economy as a whole, and by making still more obvious the inevitability of the revolutionary crushing of capitalism.

Lenin emphasized that "state monopoly capitalism is the most complete material preparation of socialism, the threshold of it, that step on the historical ladder between which (step) and the step named socialism there are no intermediate degrees" (V. I. Lenin, Soch., Vol 25, page 333).

Thus state monopoly capitalism means the most complete material preparation of socialism. But there are not enough of some material prerequisites for the transition from capitalism to socialism. When the material prerequisites are on hand, the consciousness and solidarity of masses of the people in their struggle to overthrow the omnipotence of the monopolies and to achieve socialism take on decisive importance.

State monopoly capitalism creates all the material prerequisites for the achieving of socialism, and at the same time it is a military prison for the workers and a paradise for the capitalists. Created by the development of the basic contradiction of capitalism, state monopoly capitalism not only is unable to eliminate or at least to lessen that contradiction but on the contrary inevitably leads to its further intensification.

Imperialism as Parasitical or Decaying Capitalism

Monopoly capitalism is at the same time parasitical or decaying capitalism. Those distinguishing features of imperialism which characterize it as parasitical or dying capitalism are caused by the very essence of imperialism, namely the domination of monopolies, the oppression of the financial oligarchy, the exploitation of an ever greater number of backward and dependent countries by a small handful of the richest capitalist powers, and by the reactionary nature of monopoly capitalism in general. The most profound economic basis of imperialism is monopoly. Monopoly inevitably gives rise to the tendency toward stagnation and decay. Monopoly prices, insofar as they can be kept up at the market for a certain definite time, eliminate to a certain degree the

stimuli for technical progress and at the same time give rise to the economic opportunity of artificially restraining the development of technology. Of course, in definite cases the monopolies themselves have an interest in lowering production costs by improving equipment, when this makes it possible for them to increase their profit. But the tendency to stagnation and decay which is inherent to monopolies continues to be in effect and in definite cases it gains the upper hand.

Under the domination of monopolies the growth of productive forces lags still more behind the tremendous capacities which modern science and technology have at their disposal. The mighty development of technology constantly collides with obstacles created by monopolies.

The history of monopoly capitalism abounds in incidents demonstrating how the development of technology stopped in a number of cases when the capitalists came forth as reactionaries in the field of developing new technology and changed over frequently to manual labor. The monopolies hinder the realization of a large number of discoveries and inventions which threaten their maximum profits. They are afraid of technical discoveries which are able to undermine their monopoly position or to devalue the tremendous capital invested in production. The cartels and trusts place countless obstacles in the way of technical progress and restrain and retard the development of productive forces.

At every step of its way highly developed technology poses tasks which decaying capitalism proves to be incapable of solving. As long ago as 1913 a method of producing coal

gas underground, which was based on an idea of the great Russian scientist Mendeleyev, was suggested. This discovery promised a fundamental technical revolution. But it would have meant tremendous losses for petroleum industrialists and therefore its development was kept back.

Electrical trusts, fearing the devaluation of invested capital, for almost 2 decades kept secret the patent for producing lamps with fluorescent gas, which are better than incandescent lamps. In England the coal monopolies have long resisted the electrification of transportation, insofar as it would reduce the consumption of coal by the railroads. In the US the railroads are not being electrified, since that would lead to a devaluation of the tremendous capital invested in operating railroads. The chemical and petroleum monopolies restrained for a long time the production of synthetic gasoline, plastics, etc.

Under a system of private ownership of the means of production every monopoly is characterized by the tendency toward decay. During the first decade of the twentieth century, despite monopoly capitalism's inherent tendency to stagnation and the retarding of the development of productive forces, the rapid growth of capitalist production still continued. Evaluating the experience of that period, Lenin pointed out in his work on imperialism that during the era of imperialism first one, then the other of these tendencies manifests itself with a greater or lesser force in certain branches of industry. He wrote: "As a whole, capitalism is growing at an immeasurably faster rate than formerly, but this growth not only is becoming

generally more uneven, but the unevenness also manifests itself particularly in the decaying of the countries strongest in capital (England)" (V. I. Lenin, Soch., Vol 22, page 286).

This thesis, which was expressed during World War I, reflected the state of capitalism at that time. The general depression of capitalism which began during World War I, especially as the result of the victory of the Great October Revolution in the USSR, sharply intensified the decay of capitalism. The rates of increasing production in the capitalist world as a whole were sharply reduced as compared with the preceding decades, and in a number of highly developed industrial countries of west Europe industrial production for 2 decades after World War I actually marked time at a level scarcely exceeding the prewar level. The departure of the peoples' democracies in Europe and Asia from the capitalist system after World War II, the breakdown of the single all-embracing world market, and the formation of 2 parallel world markets, the capitalist and the socialist, reduced still further the sphere of applying the forces of the principal capitalist countries (the US, England, and France) to the world's resources. Capitalism lost vast spheres of exploitation which served it as sources of raw materials and a market for applying capital and for selling goods. The base for the growth of production in the principal capitalist countries has become constricted, and the conditions for selling their goods on the world market are becoming worse, and this is leading inevitably to an unprecedented intensification of the problem of the market for capitalist countries. Under these conditions it becomes increasingly more apparent that capitalism is unable to

guarantee the progressive development of the productive forces of society. Modern productive forces are stifled and shackled by the production relations of a capitalist order which has had its day.

In view of the new conditions which have arisen as a result of World War II, the thesis that capitalism is developing more rapidly than formerly must be considered to have lost its effect, as I. V. Stalin pointed out in his work, Ekonomicheskiye problemy sotsializma v USSR /Economic Problems of Socialism in the USSR/.

During the modern period the tendency to restrain technical progress demonstrates especially well the intensification of the parasitical and decaying nature of capitalism. With the narrowness of the capitalist world market, the poverty of the masses, and the chronic underloading of enterprises, technical progress in the branches of peacetime production frequently not only does not guarantee the monopolies an increase in profits, but also leads to the devaluation of fixed capital. The monopolists, buying up by the thousands the patents on technical inventions and improvements, keep these patents under wraps so that their competitors cannot make use of them. The introduction of a large number of inventions is restrained for long years. The gigantic achievements of modern science which reveal the opportunity of the tremendous expansion of man's power over nature would be unrealizable within the framework of capitalism. However it would be incorrect to conclude from this that the productive forces in modern capitalism are stagnant, that is, the conclusion that the

development of technology has come to a complete stop. Actually the tendency toward stagnation and decay which is inherent to monopoly, the tendency of monopolies to restrain technical progress collides continuously with the opposite tendency, the tendency to introduce technical improvements, and this causes an especial intensification of the contradictions of capitalism. In individual countries, in individual branches, at individual periods of time, first one and then the other tendency takes the upper hand, and this increases still more the unevenness of the development of capitalism, and still further intensifies its inherent antagonisms.

During World War II science practically solved the problem of splitting the atom. The prospects of using atomic power under peacetime conditions opens up unheard-of possibilities in expanding man's power over nature. But imperialism is interested only in using atomic power for wartime purposes, in converting it into an instrument of blackmail in the struggle for world domination.

"Capitalism," writes W. Foster, one of the leading figures in the Communist Party of the US, "could not extend to the entire world even the blessings of steam and electricity, and more than half the population of the earth still does not have the use of these vitally necessary blessings. Capitalism is even less able to use atomic power for the good of mankind. Only socialism can lay the beginning of the true Atomic Age" (W. Foster, The Decline of World Capitalism, 1951, page 193).

The parasitical and decaying nature of capitalism is most clearly expressed in the fact that there has been a colossal

growth in the number of rentiers, persons living in complete idleness on their income from securities. They are the owners of stock, government bonds, etc, who live by "clipping" coupons. The overwhelming majority of the bourgeoisie has lost complete touch with the process of production. The control of the enterprises is in the hands of hired technical personnel. All this attests to the fact that the bourgeoisie, formerly rising, advanced class, has become a falling, decadent, inwardly dead, and reactionary class.

During the era of imperialism not only a large number of people whose profession is idleness, but even entire countries find themselves in the position of rentiers. This situation is the inevitable result of exporting capital which guarantees an influx of tribute from the entire world to a few countries rich in capital. The export of capital, being one of the most essential economic foundations of imperialism, is parasitism squared. It intensifies still further the complete separation of the segment of rentiers from production, and leaves the imprint of parasitism on whole countries living by the exploitation of colonies and dependent countries.

Countries living by the exploitation of the labor of several transoceanic countries and colonies are "rentier states" (usurer states). The world is divided into a handful of usurer states and the gigantic majority of debtor states.

On the eve of World War I the income of the rentier segment, the income from "invested capital," in England was 90-100 million pounds sterling a year, at the same time that the entire annual income from England's foreign trade was only

18 million. Thus the income of rentiers exceeded by 5 times the income from foreign trade in England, the country with the most highly developed foreign trade. Citing that figure, Lenin wrote that therein lay the essence of imperialism and imperialist parasitism. A rentier state is a state of parasitical, decaying capitalism.

The tribute received by the monopolies at the expense of enslaving and systematically robbing colonial and dependent countries is one of the principal sources of the maximum capitalist profit during the era of imperialism. The systematic exploitation of foreign countries, especially backward countries, is one of the principal features of the basic economic law of modern capitalism.

An especially important form of parasitism is that which lies in the bribery of a small privileged upper stratum of the working class by the bourgeoisie. The economic possibility of this bribery is created by the existence of monopolistically high profits. During the former, premonopolistic period only the English bourgeoisie had this opportunity, since the 2 major distinctive features of imperialism, vast colonial possessions and a monopoly position in the world market, have been present in England since the middle of the past century.

It is well known that Marx and Engels in their time systematically traced that characteristic feature of the economic and political life of England. They unceasingly revealed the link between opportunism in the workers' movement on the one hand and the imperialistic peculiarities of English

capitalism on the other. Lenin was the first in the history of Marxist thought to point out that during the era of imperialism the bourgeoisie of all the capitalistically highly developed countries had taken the path of bribing the upper segment of the working class. At the expense of maximum profits received in backward countries, at the expense of gigantic income from colonies, and at the expense of the intensified exploitation of the bulk of the proletariat, the imperialistic bourgeoisie bribes a small upper layer of the working class. On the basis of generalizing this new historical material, Lenin made new conclusions of tremendous theoretical and practical importance. He uncovered the social roots of opportunism in the workers' movement, an opportunism which was engendered by that era in the development of capitalism when the bourgeoisie, by giving the crumbs of its monopolistically high profits, placed in a privileged position an infinitesimal upper layer of the workers who thus were divorced from the misfortunes, sufferings, and revolutionary leanings of the ruined and impoverished proletarian mass.

During the period of imperialism the bourgeoisie of all the capitalistically well developed countries allows a small minority of the petty bourgeoisie, the best placed employees, and officials of the workers' movement, etc to make use of the crumbs from its table. This phenomenon, which was characterized in its time exclusively for England, became a phenomenon common to all major capitalist countries of Europe in the proportion to which those countries changed over to the possession of colonies to a great extent, and generally in proportion to which imperialism developed and grew.

Unmasking the advocates of opportunism who cited the rapidity of the development of opportunism as proof of its life and vitality, Lenin pointed out that this rapidity in no way attests to the victory of opportunism, just as the rapid development of a malignant abscess on a healthy organism can only speed up the breaking of the abscess and the freeing of the organism from it. "Opportunism cannot now prove to be a complete victor in the workers' movement of one of the countries for a long number of decades, as opportunism was the victor in England in the second half of the nineteenth century, but it has definitely ripened, become overripe, and decayed in a number of countries, fusing completely with the bourgeois policy as social chauvinism" (V. I. Lenin, Soch., Vol 22, page 271).

The historical doom of opportunism is determined by the fact that the striving of the bourgeoisie, aided by its network of bribed agents among the ranks of the working class, to immortalize imperialist oppression is at variance with the striving of the working masses to cast off the yoke of the bourgeoisie. The history of the workers' movement during the period of imperialism takes place in the struggle between these 2 antithetical tendencies, Lenin pointed out. The working aristocracy bribed by the imperialist bourgeoisie constitutes an insignificant minority of the entire working mass of the population, but, with the support of the bourgeoisie, enjoys no small influence upon the masses and represents a serious danger for the workers' movement. On the basis of an analysis of imperialism Lenin revealed the social roots of the opportunistic degeneration of certain small groups and

proved the necessity of the merciless struggle against bourgeois agents in the workers' movement. Lenin emphasized with all his strength that the struggle against imperialism, if it is not linked inseparably with the struggle against opportunism, is an empty and false phrase.

Lenin emphasized that under monopoly capitalism the exploitation of colonies by a handful of imperialist powers still further converts the so-called "civilized" world into a parasite on the bodies of hundreds of millions of enslaved backward peoples.

The separation of a handful of the richest imperialist countries parasitically profiting from the plunder of colonies and weak nations is an extremely important peculiarity of imperialism. Lenin pointed out that this peculiarity to a certain degree facilitates the arising of profound revolutionary movements in countries subjected to imperialist plunder, in countries which are threatened with division and stifling by imperialist powers. Russia was in precisely this position in 1917, and China during the postwar period. On the other hand, this same peculiarity to a certain degree hinders the arising of profound revolutionary movements in countries which rob the colonies and dependent countries, thus making a considerable part of their population a participant in the division of those spoils.

The decaying of capitalism is inseparably linked with the growth of parasitism. During the era of the domination of monopolies parasitism leaves its imprint on the entire economic life of the capitalist countries. In the richest

countries agriculture is hopelessly behind industry. The rural areas vegetate in poverty and ignorance. The achievements of modern technology are inaccessible for the overwhelming mass of the working peasantry. In the entire capitalist world there is an increase in the number of people engaged in giving personal service to the bourgeoisie and its spongers. The sphere of circulation, that is, trade and banking, swells up at an unprecedented rate. Tremendous funds are expended for advertising (in the US, for example, more than a billion dollars are thus spent each year).

In the US in 1910 the producer branches, agriculture, the mining and refining industry, construction, transport, and communication, employed 75.1% of the total self-employed population, and the nonproducer branches, 24.9%; in 1950 the producer branches employed only 58% of the self-employed population, but the share of the people employed in non-producer branches rose to 42%. In England in 1911 the producer branches employed 70.1% of the total self-employed population, and the nonproducer branches, 29.4%; in 1951 the share of the persons employed in the producer branches dropped to 41.1%, and the share of persons employed in the nonproducer branches increased to 38.9%.

In Germany in 1907 the producer branches employed 78.9% of the total self-employed population, and the nonproducer branches, 21.1%; in 1946 in Western Germany the share of the persons employed in the producer branches was 54.4%, and the share of the persons employed in the nonproducer branches was 43.6%.

Pointing out that in the US the economic development during the period up to World War I proceeded more rapidly than in other capitalist countries, Lenin noted that "it is precisely thanks to that factor that the parasitical features of the latest American imperialism have emerged especially notably" (V. I. Lenin, Soch., Vol 22, page 287). This evaluation has brilliantly withstood historical verification. The entire course of the development of American capitalism attests to the fact that it is the chief center of parasitism in the entire capitalist world.

During the period after World War II the parasitical nature of American capitalism manifests itself primarily in the fact that in the American economy as a whole the features of the usurer state are emerging more and more clearly. This is inseparably linked with the phenomenon of the growth of the nonproductive expenses of the state, which are caused primarily by the armaments race and the complete militarization of social life. The intensification of the parasitism of American capitalism is clearly expressed in the monstrous lagging of agriculture behind industry, in the gigantic growth of nonlabor expenses and the bourgeoisie's prodigality, which is unprecedented even on an American scale, in the bribery by the American bourgeoisie of the degenerate upper stratum of the working class, a stratum which is the devoted mainstay of Wall Street and which plays the truly infamous role of agents of the State Department on the international scene.

The intensified decaying of modern capitalism dooms the working masses of the city and country to the most severe

deprivations, and to unbelievable poverty and hunger.

Capitalism has a predatory attitude to society's most important productive force, human manpower. This predatory attitude is expressed in the unrestrained growth of exploitation of the proletariat and in the monstrous impoverishment of the working masses. During the period after World War II the position of the workers in the capitalist countries worsened to a catastrophic degree. There was a sharp decrease in the guarantee of means of existence and a sharp increase in the uncertainty about tomorrow, and in poverty and hunger.

Tens of millions of people in the capitalist world are doomed to the horrors of unemployment, which is of a chronic and mass nature. The Damocles sword of unemployment also hangs uncompromisingly over those who still have work.

Dooming millions of unemployed to hunger, capital thus exploits the workers still more mercilessly. For example, according to information published by the US Census Bureau, in the middle of 1953, 2.1 million workers had only a few hours of part-time work a week, and 8.3 million workers worked an abbreviated work week, from 2-4-1/2 hours a day, at the same time that 4.6 million workers were working from 9-15 hours a day.

Under the modern conditions of the further aggravation of the overall crisis of capitalism the absolute and relative impoverishment of the working class has taken on unprecedentedly critical forms. The colossal rise of prices and the rampage of inflation, with a policy of freezing wages, means a steady drop in the real wages of the workers and employees in capitalist

countries. The living conditions of the working class are becoming steadily worse as a result of the excessive increase of the tax burden, the increase in housing rents, the sharp worsening of working conditions, etc. For example, the number of laborers and other workers of the urban and rural regions constituted 54% of the national income of the US in 1930 and only 40% in 1950. No less than 1/3 of the nominal wages of the working class in the US is eaten up by taxes.

The working class and all the workers in the capitalist countries are living considerably worse now than before the war. For example, according to official information, in 1953 the average per capita consumption of butter was 49% below the prewar level in the US. In England, 44%; meat in England, 18% and in West Germany, 22%; sugar in England, 8%, and in West Germany, 9%. If one takes into consideration the fact that the consumption of the bourgeoisie and its parasitical renials is not less, but more, it is easy to understand that actually the reduction in the consumption of the working class and other workers is still greater than can be judged on the basis of those figures.

The results of the general income census conducted in 1950 in the US are indicative. It is necessary to keep in mind the fact that the official statistics falsifies figures in every way, resorting to all kinds of subterfuges aimed at prettying up capitalist reality. It is no less indicative that the results of the census cannot conceal the extremely different living conditions for the overwhelming majority of Americans and their systematic impoverishment.

According to the census information the average yearly income of the American family and single Americans was \$2,599 in 1950. With the cost-of-living level that existed during the period of the census this income could not provide even the most minimal living conditions. The real importance of that figure becomes clear if one takes into consideration the fact that the so-called Heller index, developed by a commission at the University of California, even several years before the general census determined the living wage to be \$4,000 for a family of 4, and the Heller index took into consideration only the satisfying of the most minimal requirement. Since that time the cost of living has risen sharply. Thus, according to the census information, American families receive on the average considerably less than 2/3 of the income which is necessary for the most meager existence.

But the average figures for the income of the American family do not reflect at all the true picture of the poverty of the overwhelming majority of the population. The average figures gloss over the crying inequality between the fabulous income of a small handful of rich people and the pitiful crumbs received by the bulk of the workers. Information on the distribution of families according to the amount of their income shows the following picture: 73.8% of all families receive an income of less than \$4,000 a year. In other words, almost 3/4 of the population of the US does not have funds to provide even the official, extremely low living wage. Of all families, 56.8% receive an income of less than \$3,000 a year. Thus more than half the population of the US earns less

then is needed for the living wage. Of all families, 39% receive an income of less than \$2,000 a year, that is, less than half the living wage. Of all families, 22.9% receive an income of less than \$1,000 a year, and 13.7% less than \$500 a year, that is, are unable to earn 1/4 or even 1/8 of what is required for their existence.

Finally, it is extremely characteristic that in the southern states, where Negroes make up a considerable percentage of the population, the annual income per family is on the average only \$1,940.

According to information which is far from complete, more than 5.5 million Americans do not have any income at all, existing only on small gifts in the form of a miserly pension and other forms of "aid." As reported in Economic Outlook, the bulletin of the Congress of Industrial Trade Unions, "every year about 250,000 Americans become unfit for work permanently or temporarily. Every day about 8 million people cannot go to work because of sickness or injuries they have received."

The dominance of monopoly capital dooms the majority of mankind to a semistarved existence. Even the statistical information published by the United Nations shows that for 2/3 of mankind the annual income per capita scarcely reaches \$41. Hundreds of millions of people living in severe poverty are deprived of medical aid. For 2/3 of mankind, there is only one doctor for every 6,000 inhabitants. Their average life expectancy is 30 years. Where before World War II the number of people consuming less than 2,200 calories a day (medical

science has determined that man's minimum physiological requirement for nutrition is 3,000 calories a day) constituted 38.6% of the total population of the earth, in 1952 the total number of such people was already 59.6%, that is, more than half the population of the earth.

In colonial and semicolonial countries tens of millions of people live on the point of starvation and millions of people starve to death every year. According to data of the Brazilian writer De Castro, cited in his book The Geography of Hunger, 57% of Africans die before reaching the age of 15. In Brazil, Argentina, Chile, and other South American countries about 60 million people are permanently without sufficient food. In New Guinea in 1950-1951, 13.3% of the indigenous population died from malnutrition.

In the colonial world the finance capital of imperialist countries uses the most bestial forms of exploiting the workers. Openly enforced slave labor is the lot of millions of people here. The wages of the workers from the indigenous population are several times lower than the wages of workers belonging to the dominating nations. For example, in the countries of the Middle East the wages of workers in the petroleum industry are less than 1/10 of the average wages of American petroleum workers, at the same time that the mining of petroleum per individual worker in these countries is higher than in the US. In the American colony of Puerto Rico the wages received by the local workers is 3-4 times less than at the same enterprises in the US, although the level of hourly output is identical. In Chile the wages of workers at

the copper mines belonging to American monopolies are almost 5 times less than at corresponding mines in the US.

The decay and parasitism of capitalism manifest themselves obviously in the rampage of reaction in all spheres of social life.

"The political superstructure on top of a new economy, on top of monopoly capitalism (imperialism is monopoly capitalism) is a turn from democracy to political reaction. Free competition is helped by democracy. Monopoly is helped by political reaction" (V. I. Lenin, Soch., Vol 23, page 31).

The dominant monopolies make use of the press, radio, and other means of ideological influence with the aim of poisoning the national consciousness, they convert science and art into an object to be bought and sold, persecute culture, and support obscurantism in all its forms. Monopolies implant the misanthropic theories of "superior" and "inferior" races, and the corrupted ideas of bourgeois cosmopolitanism which encourage betrayal of the homeland, betrayal of the national interests by the bourgeoisie of a number of countries in the name of saving the capitalist order.

Imperialism's characteristic features of political reaction, aggressiveness, and obscurantism found their most complete embodiment in fascism. Fascism is the open terroristic dictatorship of the most reactionary, predatory, and adventurist cliques of monopoly capital. After the destruction of the principal centers of world-wide fascism and world-wide aggression, the imperialist bourgeoisie of the US began to make their

domestic and foreign policy fascist, to support fascist regimes and in general all forces of extreme reaction in the entire world. The aggressive appetites of the American claimants to world-wide domination exceed the delirious plans of their German and Japanese predecessors taken together.

An ever greater share of the national income of capitalist countries is absorbed by the monstrously growing militarism. Wars and preparations for them inflict unheard-of deprivations upon tens and hundreds of millions of people, but they are extremely profitable for monopolies which get rich on the blood and sweat of nations. The armaments race is encompassing all the imperialist powers and leading to a situation in which the expenses for preparing for predatory and aggressive wars eat up tremendous sums. At the present time the principal country of capitalism, the US, is going still farther along the path of militarizing its entire social life. The expenses for military purposes make up 74% of the US budget. Military expenses absorb more than 1/5 of the national income of the US, more than 14% of the national income of England, and more than 15% of the national income of France.

The imperialistic bourgeoisie implants the most perverted forms of venality, bribery, and swindling. Actually the entire stage apparatus, the courts, and the press are farmed out to the monopolies. Direct swindles, bribery, and plundering of the treasury, such are the boss methods of monopolies.

Imperialism as Dying Capitalism

Imperialism is the era of the revolutionary crushing and destruction of capitalism. Long ago the bourgeois order exhausted its historically progressive role and became a monstrous obstacle on the path of the further development of society. "The era of capitalist imperialism is the era of ripe and overripe capitalism, standing on the eve of its destruction, and so ripe that it must yield its place to socialism" (V. I. Lenin, Soch., Vol 22, page 97).

During the era of imperialism the contradictions of the capitalist order have gone to such a degree of development that the proletarian revolution has become a problem of direct practice. Imperialism is bringing the contradictions of capitalism to the last point, to the extreme limits beyond which revolution begins.

The most important of these contradictions, as Leninism teaches, are the following.

First, the contradiction between labor and capital. Imperialism means unlimited power for a small handful of bosses of capitalist monopolies and banks. Under the conditions of unprecedented oppression of a financial oligarchy the former methods which the working class used in its struggle, its old-type trade unions, parliamentary parties, prove to be completely inadequate. Imperialism, by raising to unprecedented limits the degree to which the working class is impoverished and by increasing the exploitation of the working class by a handful of monopolistic and banking sharks, fires at them point-blank the question of new revolutionary

methods of struggling. The question which imperialism poses before the proletarian masses is whether they are to give themselves up to the mercy of finance capital dooming the workers to vegetation and poverty, or to take up a new and more effective weapon.

Second, the contradiction between various financial groups and imperialist powers in their unceasing struggle to seize other people's territories, sources of raw materials, sales markets, and spheres of applying capital. The mad struggle among imperialistic cliques inevitably leads to wars. In the struggle to redivide an already divided world for new sources of enrichment for an infinitesimal handful of billionaires, the predators of imperialism are spilling out seas of the people's blood and piling up mountains of corpses. The struggle among imperialists inevitably leads to their mutual weakening, to the weakening of the positions of capitalism in general, and thus brings closer the moment of the proletarian revolution which is necessary to save society from destruction.

Third and last, the contradiction between the small number of so-called "civilized" countries and the tremendous mass of population of colonial and dependent countries. In the colonial world hundreds of millions of people languish under the mastery of imperialist usurpers. In the chase for the highest profit the imperialists build factories and plants in the colonies and semi-colonies, build railroads, and by fire and the sword lay down a road for new capitalist relations. Increasing oppression and exploitation leads to

the intensification of the liberating and revolutionary movement in the colonial world. The revolutionary movement in the colonial and dependent countries weakens the positions of capitalism in the entire world, undermines it, and leads to the conversion of those countries from resources of imperialism into resources of the proletarian revolution. The national liberating movement in the colonies is becoming a threat for imperialism and a support for the revolutionary proletariat.

Imperialism as dying capitalism is characterized by an unprecedented intensification of the contradictions between the productive forces and the production relations of bourgeois society. Long ago the production relations of capitalism became the fetters of the productive forces of society. The economic law of the necessary conformity of production relations to the nature of productive forces has for a long time been breaking a trail for itself in the capitalist countries. If it has not yet broken a trail for itself, it is only because it encounters the strongest resistance on the part of classes which are dying out.

The contradiction between the productive forces and the production relations of monopoly capitalism forms the basis of all the conflicts of the imperialist era.

"From an economic point of view the present conflicts and military clashes of capitalist groups among themselves, and the struggle of the proletariat against the class of capitalists have as their basis the conflict between the present productive forces on the one hand and the national-imperialist limits of their development and capitalistic forms of

appropriation on the other. The imperialist limits and capitalist form stifle and make it impossible for the productive forces to develop" (I. V. Stalin, Soch., Vol 5, pages 109-110).

The tremendous growth of socialized production, linked with the intensified export of capital to colonial and dependent countries and with the expansion of the spheres of influence and of colonial possessions encompassing the entire world, has converted some countries into links in the single chain of the capitalist world economy. In the course of the development of capitalism the mutual dependence of peoples and the economic unification of territories are established on the order of subordinating some countries to others and on the order of the oppression and exploitation of peoples of backward countries by the more highly developed states. The capitalist system of world economy is based upon monstrous exploitation of the majority of the earth's population by a handful of imperialist states on the basis of domination and subordination. This gives rise to an irreconcilable contradiction between the process of the economic unification of peoples and the imperialist means of that unification.

The most catastrophic manifestation of the conflict between the productive forces and production relations of modern capitalism is the destructive imperialist wars which put up the existence of nations as their stake. Throughout the entire period of imperialism the terrible specter of war has relentlessly stood over mankind.

The fact that imperialism is dying capitalism in no way means that it can die out by itself without the unselfish revolutionary struggle of the proletariat rallying around itself the broad masses of the workers and the exploited nation. Defining imperialism as dying capitalism, Lenin at the same time pointed out that imperialism is the forerunner of the social revolution of the proletariat.

The financial oligarchy, having at its complete disposal the power in bourgeois states, strives to restrain the course of social progress, resorting to the tested methods of all the reactionary classes which are dying out, that is, to deception and force. Monopolies implant a nationalist and chauvinist ideology, use all kinds of bribery methods in politics, and implant obscurantism in all forms. Corrupted bourgeois scholarship uncereemoniously falsifies past and present history and strives to suggest to the masses of the people ideas of the stability of the capitalist order, the wisdom of imperialist escapades, and the futility and aimlessness of all struggle against the omnipotence of the monopolies. Bourgeois economic pseudoscience of the era of imperialism comes down to the most extreme limits of moral decadence, preaching war and mass human destruction as the way out of economic difficulties and the salvation from depressions and unemployment. The reactionary ruling circles are going farther and farther along the path of increasing fascism in political and social life, attempting, with the aim of preserving and strengthening their power, to reduce to nothing the remnants of the democratic rights which the workers have won in the stubborn struggle of many generations.

In no way does it follow from the fact that monopoly is characterized by reaction in all spheres of social life that during the era of imperialists it is no longer necessary to fight for democracy or that this struggle does not have any real meaning. On the contrary, this struggle takes on still greater importance. Lenin wrote: "Capitalism in general and imperialism in particular converts democracy into an illusion, and at the same time capitalism gives rise to democratic strivings among the masses, creates democratic institutions, and intensifies the antagonism between the imperialism denying democracy and the masses striving for democracy" (V. I. Lenin, Sochi, Vol 23, page 13).

During the era of imperialism the struggle against reaction rendered by the monopolies and against their delirious escapades is more real now than it has ever been. In the struggle against imperialist reaction, fascist danger, and the threat of new wars the progressive, democratic forces of nations, headed by the working class and its vanguard organized in the ranks of the Marxist-Leninist parties, are rallying together. During the modern era the struggle of the masses of the people in the capitalist countries against imperialism, war, and reaction is of special importance in view of the existence of a mighty camp of peace, democracy, and socialism headed by the Soviet Union and other countries which have thrown off once and for all the yoke of imperialism. That camp is a mighty force with a tremendous, decisive influence upon the entire course of modern history.

The Law of the Unevenness of the Development of Capitalist Countries during the Era of Imperialism and the Possibility of the Victory of Socialism in One Country

At the monopolistic stage of capitalism the former more or less smooth development of the capitalist countries, during the course of which some countries caught up with and outstripped other countries without any spasms or catastrophes, was replaced by a new uneven and spasmodic type of development, pregnant with conflicts, wars, armed clashes, and catastrophes on a universal scale. This new type of development is affected by the action of the law of the unevenness of the economic and political development of the capitalist countries during the era of imperialism.

Marras teaches that the unevenness of the development is an unconditional law of capitalism. If one has in mind the economic field, under imperialism the unevenness in individual enterprises, individual branches, and, finally, individual countries is inevitable. The unevenness of the economic development of individual countries in its turn forms the basis of the unevenness of their political development. However, that law has one form and has one action under the economic conditions of premonopolist capitalism and it acquires another form and takes on another action in the economic circumstances of the era of imperialism.

Explaining the inevitability of the unevenness of development under capitalism, Lenin recalled that capitalism is private ownership of the means of production and is the anarchy of production. It is precisely for that reason that

under capitalism it is impossible to have an even growth of individual managements, individual branches, and finally, individual countries. The capitalist economy could not exist at all if all enterprises and all branches of production advanced evenly and simultaneously. In the severe competitive struggle some enterprises rise, grow, strengthen their positions, at the same time that others grow weak, fall into decay, and finally perish and leave the scene. Herein lies the unevenness in the development of individual enterprises. Depressions, those destructive storms on the world market, sweep from the face of the earth a large number of small scale and medium scale enterprises, as a result of which the positions of the largest enterprises are strengthened still more.

Under the conditions of private ownership and the anarchy of production entire branches of industry are also unable to develop evenly. According to the laws of the capitalist economy, when a stream of new capital rushes into the branch bringing the most profit at the particular time, that branch grows and takes the lead by bounds, leaving the other branches behind. Technology develops and production processes are improved in an uncontrolled way, under the influence of competition.

The unevenness of the development of individual enterprises and branches of production under capitalism is closely linked with the unevenness and spasmodic development of individual capitalist countries. The overall growth of the capitalist economy takes place in such a way that some countries develop more rapidly, others more slowly, some

move ahead, others lag behind, and some countries outstrip other countries in their development. This unevenness in the development of individual countries, which is completely inevitable under capitalism, exists as long as the capitalist order exists. However the importance and role of the unevenness of the development of individual capitalist countries has changed fundamentally with the transition from the former era of the domination of free competition to the modern era of the domination of monopoly. During the era of free competition, when capitalism was still ascending, the unevenness of the development consisted in the fact that some countries caught up with others and then outstripped them economically without any spasms and without any military catastrophes or redivisions of an already divided world.

Capitalism could still develop comparatively calmly and smoothly. Some countries outstripped others over the course of a long period of time. This was managed without the inevitable military clashes on a world-wide scale.

The situation changed fundamentally with the transition from free competition to the domination of the monopolies. This transition inevitably caused a sharp intensification of the unevenness of capitalist development. Large scale and gigantic enterprises having the most advanced technology of production at their disposal and producing colossal masses of output took on decisive importance. Concentrating tremendous amounts of capital in their hands, monopolist alliances of capitalism became able to create giant enterprises in strikingly short periods of time. The capitalism of earlier

periods, when industry was still uncentralized, and when the concentration of capitalism was relatively small, did not know such rates of development.

The domination of monopolies greatly intensified and increased the differences in the rapidity of growth of various parts of the capitalist economy. During the period of imperialism new industrial giants develop rapidly. The strong ones devour the more backward and weaker competitors. In severe competitive struggle not only the small scale and medium scale enterprises perish, but often giants also fall, yielding their place to more adroit and more powerful opponents.

New branches began to develop more and more rapidly, as compared with the old branches of industry, enjoying from their very first steps the advantages of the latest technology and being free of the oppressive influence of old investments of capital. Therefore the ratio between the branches of industrial production, their relative proportion and importance in the economy began to change at an extremely rapid and spasmodic rate.

In the middle of the past century heavy industry as a whole still played a comparatively small role and light industry had the predominant importance. The branches which processed cotton and wool were almost completely dominant in it. The amount of processed cotton served as the principal index of the degree of industrial development of a country. In the fuel industry coal reigned just as unchallenged, and in metallurgy, iron. Machine building was still very weakly developed and there were not as yet any such branches as the

automobile industry, the electrical industry, or aircraft production.

Since that time the ratio between the branches of industrial production has changed fundamentally. With the transition to imperialism, light industry was pushed into the background and heavy industry took over the decisive role. Within each of these subdivisions of industrial production in turn there were serious displacements and shifts linked with the arising of a number of new branches of industry. These displacements were engendered by a number of shifts in technology such as the transition from steam to electricity as the principal source of power, the obtaining of new materials and new forms of raw materials, the replacement of manual labor by machine labor, etc.

In the textile industry synthetic fiber began to compete more and more successfully with cotton, wool, and silk. In 1880 the cotton industry of the US, Germany, France, and Italy processed 13,124,000 quintals of cotton. Fifty years later in 1930 in the same countries the consumption was 27,545,000 quintals of cotton, that is, twice as much. The production of synthetic fiber did not even exist at the end of the nineteenth century. It appeared only shortly before World War I. In 1913 a total of 11,000 t of rayon was produced in the entire world; in 1920 20,000 t; and 11 years later, in 1931, the world production of rayon had already increased to 213,000 t. In less than 20 years it had increased by almost 20 times. The production of so-called staple fiber increased still more rapidly. In 1932 it constituted only 7,800 t in the entire world, and in 1940-1941 it had reached 580,000 t.

In the fuel industry during the period of imperialism there is a steady growth in the importance of petroleum production and of synthetic fuel. There was a rapid growth in the chemical industry, which formerly was of scarcely noticeable value. Aluminum and then magnesium began to occupy a steadily more important place among metals. The production of automobiles took on tremendous importance, developing over the period of just a few decades. Still younger is the aviation industry, which at the present time has moved into one of the first places with respect to the number of workers employed and the value of production. The electrical industry has taken on major importance, developing into a complex of newer and newer branches of production.

The rates of growth of new branches of industry are in sharp contrast to the incomparably slower development of the old branches, in which, as for example in coal mining and cotton processing, a complete stagnation has been observed frequently over the course of the entire era of imperialism. Without even speaking of the direct support of the state authority, caused chiefly by the interests of militarism and the armaments race, new branches have a number of economic advantages. They have at their disposal, at least at the first stages of their development, a broader sales market than the old branches. They use new and improved models of equipment and production methods, at the same time that the development of old branches is hampered by the tremendous investments in fixed capital. Old capital investments serve as a hindrance to the improvement of tools and production methods. Hence the ever growing difference in the rapidity of growth of different branches of industrial production.

The unevenness of the development of various branches of industry gives rise to sharp shifts in the structure of the national economy of individual countries of the capitalist world. These shifts are of major importance for the ratio of forces among states, and for their positions on the world market. Old capitalism countries, whose industrial might was based on old branches of industry, began to lose their former positions in the world economy during the era of imperialism. The overall rates of the growth of their industry dropped sharply. They began to be outstripped by countries in whose industry the new branches of production were predominant.

The example of the oldest country of capitalism, England, is most characteristic in this regard. During the course of the nineteenth century its industrial might was to a considerable degree based upon 2 of the oldest branches of industry, the textile and coal branches. King Coal and King Cotton not only reigned in the national economy of England, but they took the lion's share in its export and blazed a trail for English capital to all the corners of the earth. The situation began to change at the end of the twentieth century, when young industrial countries, such as the US and Germany in whose industry the new branches of production, chemistry, electrical production, new branches of machine building, etc had an ever growing importance, moved into the foreground. With ever-growing force the results of the unevenness of the development of the branches of industry had a telling effect after World War I, when, against the background of a growth in the newest types of production, the lag, stagnation, and decline

in the age-old branches of the British industrial power, the textile and coal industries, were clearly revealed.

The rapid growth of new branches of industry is closely linked with the militarization of the economy and the armaments race. During World War I particularly in Germany there began to be created new branches of industry which were called upon to replace or to supplement the insufficient imported raw material with synthetic raw material and other materials produced from local resources. These branches include the production of rayon, combined nitrogen (by synthesizing products resulting from the processing of coal), the aluminum industry, and others.

The new branches received their further development during World War II. There was a considerable increase in the production of synthetic fuel and fats, synthetic rubber, plastics, light-weight metals, alloying substances and alloys, wood alcohol, etc. In some cases the scale of producing new types of raw materials reached the former extent of the world-wide production of the corresponding natural raw materials. For example, more than one million t of rubber were produced before World War I. In 1943-1944 a synthetic rubber industry was started from scratch in the US and its annual production capacity exceeded a million t.

It is characteristic of the era of imperialism that the rapid development of technology opens up broad opportunities for the countries which were late in taking the path of industrial development. They can outstrip their older rivals, leaping over in a short time a number of stages in technical

development which took many decades in the old countries. In the old capitalist countries on the other hand the load of major capital investments restrains the technical rejuvenation of industry. The inhibitory influence of old capital investments in the coal and metallurgical industry of Great Britain is generally known. The mechanization of coal mining in England is lagging greatly, and in metallurgy no use is made of modern methods of combining various stages of production which make it possible to use valuable waste products efficiently. At the same time in old industrial countries there is an especially strong influence exerted by the tendency toward parasitism, decay, and the restraint of technical program, a tendency which is inherent in the domination of monopolies.

The spasmodic nature of the economic development of individual capitalist countries is also extremely intensified by the export of capital. The country exporting the capital creates for itself a source of constant enrichment, but the systematic export of capital from the country means the restraint of its further industrial growth. This situation was manifested especially clearly in the economic history of France at the end of the past and the beginning of the present century. During that period France, after occupying one of the first places with respect to the export of capital, was lagging sharply behind other countries with respect to the rates of industrial development, preserving at the same time a large share of small scale and even miniscule enterprises and an extremely uncentralized and technically backward agriculture.

On the other hand certain young capitalist countries, as a result of the influx of capital from without, receive additional opportunities of accelerating their economic growth. The characteristic example is Canada, which for several decades served as the sphere of application of British and American capital and rapidly became one of the highly developed industrial countries, especially with respect to the new types of production (automotive construction, nonferrous and light weight metals, etc).

During the period of imperialism the countries in which there was a rapid development of capitalism have the opportunity of conquering markets to the detriment of other states with a delayed development of industry which, because of its technical backwardness, produces goods with higher production costs. For example, in 1913 England's share was about 73% of the world export of cotton articles. In 1928 its share had fallen to 57%, and in 1935 to 37%. British cotton fabrics, especially those of medium and low grades, could not compete with the articles of a number of countries which created their own textile industry after World War I (India, the countries of Latin America, and particularly Japan).

Because of all these factors the unevenness and spasmodic nature of the development of individual countries is intensified and aggravated to a tremendous degree during the era of monopoly capitalism. The ratio of forces among countries changes by spasms and with unprecedented rapidity. There are constant shifts and changes in the places which individual countries occupy on the earth's industrial map. In 1860 the

first place in the world's industrial production was occupied by the oldest capitalist country, England. The next place belonged to France. At that time Germany and the US were still taking their first major steps in the field of industrial development. Just 10 years later the picture had changed. The US had caught up with France and occupied second place on the world's industrial map, immediately after England. Another decade later the US caught up with England and occupied first place in the world's industrial production. At the same time Germany caught up with France and occupied third place after the US and England. During the first decade of the twentieth century Germany crowded England out, and took second place after the US with respect to the level of its industrial development.

The unevenness and spasmodic nature of the development of individual capitalist countries was intensified still further during the period between the 2 world wars. After suffering defeat, Germany during the first years after the war was crowded out into third place in the industrial production of the capitalist world. But the economic foundations of German imperialism remained untouched. Playing upon the contradictions among the victor countries and making use of their implacable and blind hatred of the USSR, the bosses of German monopoly capital were able in a comparatively short time to restore and expand their heavy industry. The German monopolists were given a great amount of aid in this by the financial magnates of the US, who granted them loans and credit in billions of dollars. Less than 10 years passed and German industry again occupied second place in the capitalist

world, considerably surpassing all the other capitalist countries of Europe with respect to a number of very important branches of production.

As a result of the unevenness of the development during the period between the 2 world wars there was an essential change in the ratio of the economic forces between the US and England. World War I, which inflicted considerable damage upon the European countries, enriched American monopolies. In 1925 the US produced as much industrial output as Great Britain, France, and Germany together. On the other hand the role of England in the world's industrial production was noticeably reduced. In 1929 the industrial production of US surpassed the 1913 level by 70%; in France, 39%; but in England the industrial production by 1929 scarcely reached the prewar level. England's role as a world industrial power, world banker, and ruler of the seas had fallen considerably. As a result of World War I England lost a considerable part of her capital invested abroad, and her export of capital lagged behind the export of capital from the US. London lost her role as the principal finance center of the world and that role passed to New York. Wall Street, the New York street on which the house of the Morgans and other gigantic American banks are located, became the synonym of the world domination of finance capital. Slowly moving ahead, the technically backward industry of England could not retain her former positions on the world market. Just 15-20 years after the end of World War I, as a result of the intensified unevenness in the development of the capitalist countries, the ratio of the forces among them changed sharply again.

World War II, which was the offshoot of the unevenness of the development of capitalism in individual countries, in its turn led to the further sharp intensification of that unevenness. Of the so-called great imperialist powers, 3 of them, Germany, Japan, and Italy, suffered military defeat, and France proved to be considerably weakened. Within the camp of imperialism the ratio of forces changed to the advantage of the US, to the detriment of the old European powers which held colonial possessions in their hands, and to the detriment of the principal colonial power, England.

Up until World War II the share of the west European capitalist countries was more than 40% of the industrial production of the capitalist world. After the war (by the middle of 1949) this share had fallen to 2 %. Up until World War II the share of the states of west Europe was 40.9% of the world's export of goods (not counting the USSR). After the war these countries lost a considerable part of their foreign markets and their share in the world's export was 33.1% in 1946. The place of the world markets which the capitalist countries of Europe (and Japan) lost was taken by the US, which made use of World War II and the postwar period to seize sales markets and sources of raw material from its rivals.

However, the calculations of American monopolies for establishing their unchallenged domination on the constricted world market suffered a defeat. Just a few years after the end of the war the American monopolies began to encounter the ever-growing competition of the old capitalist countries of Europe, primarily England. Then the competition of the industrial

monopolies of West Germany and Japan, which had to a considerable extent restored their positions, began to be felt more and more on the capitalist world market. The proportion of the US in the total export of capitalist countries was 12.6% in 1937, 40.1% in 1945, but in 1953 it fell again to 21.1%.

The unevenness of the economic development of capitalist countries during the era of imperialism is closely linked with the unevenness of their political development. With the tendency to establish the domination of the blackest forces of reaction, a tendency which is general to all capitalist countries during the period of imperialism, in different countries the ratio of the class forces and the situation for the struggle of the working class developed at a far from identical rate. In different countries political consciousness and the revolutionary decisiveness of the proletariat and its relations with the bulk of the peasantry and other working segments of the population develop differently. Thus, the unevenness of the political development of the capitalist countries during the era of imperialism means the unevenness of the ripening of the political prerequisites of the socialist revolution of the proletariat.

The enemies of Leninism used to attempt to "refute" the law of the unevenness of development by references to the increasing equalization of the economic level of the individual countries. Unmasking this cheat's maneuver, I. V. Stalin pointed out that the leveling or weakening of the difference in the level of development of capitalist countries actually is one of the conditions for intensifying the unevenness under

imperialism, that it is "that background and that base which make possible the intensification of the action of unevenness of development under imperialism" (I. V. Stalin, Soch., Vol 9, page 195).

The law of the unevenness of the development of capitalist countries during the era of imperialism is inseparably linked with the inevitability of imperialist wars. Under capitalism the division of spheres of influence can be made only on the basis of taking into consideration the forces of the participants of the division. But the ratio of forces, economic, financial, and military, inevitably changes, since under capitalism there can be no even development of individual enterprises or branches of industry of individual countries.

The law of the unevenness of the economic and political development of capitalist countries during the era of imperialism, which was discovered by Lenin, is of tremendous importance for an understanding of the historical place of imperialism as the forerunner of the social revolution of the proletariat and for an understanding of the changed conditions of the class struggle of the proletariat for socialism. During the period of imperialism the unevenness of development, as Leninism teaches, developed into a decisive force. The law of the unevenness of the development of the capitalist countries during the era of imperialism is a mighty factor in the disintegration of capitalism. The principal elements of that law consist of the following. First, the world has already been divided among the imperialist groups and in order to occupy new markets and sources of raw material it is necessary to

take them away from other imperialists by force. Second, the unprecedented development of technology and the intensified leveling of the development of the capitalist countries created the possibility and facilitated the matter of the spasmodic outstripping of some countries by others. Third and last, the old distribution of the spheres of influence among the individual imperialist groups results each time in a conflict with a new ratio of forces on the world market, an inevitable result of which is the periodic redivision of the world by means of imperialistic wars to establish "equilibrium" between the existing distribution of the spheres of influence and the changed ratio of forces.

Revealing the true reasons of wars during the modern era, the reasons which the bourgeoisie and its hangers-on strive to conceal in every way, Leninism teaches that for capitalist countries war is as natural and regular a state as the exploitation of the working class. At the monopolist stage of the development of capitalism, when the gigantic monopolies have acquired decisive importance in all capitalist countries, when every bourgeois country is bossed by finance capital struggling for new sales markets, new places to invest capital, and for new sources of raw material, and when the entire territory of the world has been divided among the imperialist predators, wars have become especially inevitable. The 20 years between the 2 world wars were filled with unbroken armed conflicts and wars on various scales.

Lenin foresaw that World War I would be followed by other wars caused by the imperialist contradictions. "Every-one sees," he said after the end of the war of 1914-1918,

"that a new war just like this is inevitable if the imperialists and the bourgeoisie remain in power" (V. I. Lenin, Soch., Vol 30, page 398).

Lenin warned the nations that the piratical imperialist world which had resulted after World War I (the so-called Versailles system) held within itself the inevitability of a new world war. Under modern conditions the servants of the aggressive imperialist bourgeoisie are striving to deceive the nations, falsely asserting that the inevitability of war is caused by the existence of 2 opposing systems, capitalism and socialism, in the modern world. The facts of history refute that fabrication. World War I was caused by the intensification of the imperialist contradictions in the world in which the capitalist system had already dominated unchallenged. World War II began with the war between 2 coalitions of capitalist countries. During the period after World War II the countries of the socialist camp are carrying out a decisive policy of protecting the peace and frustrating the designs of the war-mongers planning a new war. The movement of the adherents of peace unites hundreds of millions of people in all countries, including many millions of people in the countries of capitalism, whose ruling circles are preparing a new war. The representatives of different social groups and of different political and religious views, who see their principal task in frustrating the plans for a new world war, are uniting on the basis of protecting the peace and security of nations. The peace-loving camp is headed by the Soviet Union, which firmly and unchangeably defends a policy of the preservation and strengthening of peace among nations. The foreign policy of

the Soviet Union derives from the fact that the capitalist and socialist systems are completely able to coexist peacefully and to compete with one another economically. The Soviet policy of strengthening the peace is aimed at developing the peaceful collaboration of states, irrespective of their social structure.

Proceeding from the law of the unevenness of political and economic development, Lenin made his universal-historical discovery of the impossibility of the victory of socialism simultaneously in all countries and the possibility of the victory of socialism first in one capitalist country taken separately.

The growth of the contradictions among the predators of imperialism and the inevitability of wars leads to a mutual weakening of the imperialists, and leads to a state in which the chain of the world front of imperialism is broken at its weakest link, where the most favorable conditions for the victory of the proletariat exist.

V. I. Lenin wrote: "To a greater degree the development of capitalism takes place unevenly in different countries. It could not be otherwise under a system of goods production. Hence the immutable conclusion is that socialism cannot be victorious simultaneously in all countries. It will be victorious first in one or several countries, and for a certain period of time the others will remain bourgeois or prebourgeois states" (V. I. Lenin, Soch., Vol 23, page 67).

The break in the chain of the imperialist front at its weakest link and the victory of socialism first in one country

taken separately are possible precisely because that front as a whole is weakened by irreconcilable, unprecedentedly acute contradictions, because those contradictions are of a universal nature, and because the capitalist world as a whole is ripe for socialism. Under those conditions the proletarian revolution is the result of the break in the chain of the world-wide imperialist front at its weakest place, and it may turn out that the country which began the revolution, the country which broke the front of capital, is less developed in the capitalist sense than the other more highly developed countries which remain however in the framework of capitalism.

On the basis of the Marxist analysis of imperialism, Lenin impassively rejected as obsolete the former view that the socialist revolution can be victorious only if there is a simultaneous blow in all or in the majority of the civilized countries, and he replaced it with a new conclusion that the socialist revolution is completely able to be victorious in one country taken separately.

This brilliant discovery of Lenin's constituted a turning point in the development of Marxist theory. It armed the proletariat with the knowledge of the specific path to the achievement of its great goal, the overthrow of the power of the bourgeoisie, the elimination of hired slavery, and the construction of a socialist society.

Thus a new brilliant chapter was written in the immortal doctrine of Marxism as the science of the laws of social development, the laws of socialist revolution, and the victory of communism. Thus a new theory of socialist revolution was

created, a theory which released revolutionary initiative and sounded the summons to daring and decisive revolutionary action. This theory of the socialist revolution found an instant response in the most revolutionary brigade of the world proletariat — in Russia's working class, which under the guidance of the Bolshevik Party overthrew the power of the landlords and capitalists and snatched 1/6 of the world from the orbit of imperialism. Russia's working class, in union with the revolutionary peasantry and the peoples formerly oppressed by tsarism, was the first to break through the front of world imperialism. The victory of the Great October Socialist Revolution in Russia, which established the dictatorship of the proletariat in the USSR, opened up a new era of the triumph of socialism and the destruction of capitalism. Under the brilliant leadership of Lenin and the Communist Party which he nurtured, the proletariat of Russia accomplished the greatest historical exploit. It was the first to lay down the path to socialism along which more than 1/3 of all mankind is moving at the present time.

"Where would our party, our revolution, or Marxism be if Lenin had kept to the letter of Marxism, if he had not had sufficient theoretical bravery to reject one of the old conclusions of Marxism, and replace it with a new conclusion concerning the possibility of the victory of socialism in one country taken separately, a conclusion conforming to the new historical situation? The party would have wandered around in the dark, the proletarian revolution would have had no guidance, and Marxist theory would have begun to fall into decay. The proletariat would have lost and the enemies of the

proletariat would have won" (Istoriya VKP(b). Kratkiy kurs
[History of the VKP(b) [All-Union Communist Party (Bolsheviks)]].
Short Course], page 341).

The possibility of the victory of socialism in one country, which Lenin discovered, was proved in practice by the experience of the Great October Socialist Revolution. Lenin's brilliant universal-historical discovery found its embodiment in the gigantic victories of socialism in the USSR. The fight of the Soviet Union and its universal-historical victories in World War II created the conditions enabling a number of countries of Europe and Asia to fall out of the system of imperialism and to take the path of the people's democracy. "In the new conditions which have been created, especially in view of the decisive role of the Soviet Union in that war, it became possible during the postwar period for a large number of countries to turn from the capitalist path of development to a new path, the path of creating and developing people's democratic states. Thus the beginning was laid for the new stage in the development of international socialism" (V. M. Molotov, "Speech at the Twentieth Congress of the KPSS [Kommunisticheskaya partiya Sovetskogo Soyuz — Communist Party of the Soviet Union]," Pravda, 6 October 1952). The victory, in the countries of central and south-east Europe, of the people's democracy, which is one of the forms of the dictatorship of the proletariat and which successfully carries out its functions and lays down the foundation of socialism in those countries, and the great reforms in the Chinese People's Republic represent a new triumph of the Leninist theory of socialist revolution.

IV. BOURGEOIS APOLOGETICS AND PETTY BOURGEOIS

CRITICISM OF IMPERIALISM

Since the end of the past and especially since the beginning of the present century there has been an abundant increase in the literature devoted to describing the changes in the capitalist society which designate the transition to the monopolistic stage of capitalism, that is, to imperialism. Not only the open servants of capitalism, but also its petty bourgeois critics have written mountains of books which are filled with thousands of facts about individual manifestations of monopolies, but which at the same time were called upon to conceal the true essence of imperialism. Some of them cynically deny the cancers of imperialism which are obvious to all, attempting in every way to create the idea that the obsolete bourgeois structure is still stable and strong. Others attempt to distract the working masses from the struggle against the imperialist oppression by means of the reactionary and utopian dreams of eliminating the "bad" aspects of the monopolist era but with the retention of its "good" aspects which they themselves have invented.

During the era of imperialism bourgeois science goes to extreme lengths in consciously distorting reality with the aim of justifying and beautifying up capitalism. Its principal aim lies in concealing the historical inevitability of the destruction of the exploiter order which is rotten through and through.

Striving to beautify imperialism, certain bourgeois economists call it "highly developed capitalism." Similar

apologetic statements fill the writings of the German economist Werner Sombart, who began his career with "corrections" of Marx and ended it in the camp of fascism.

In his work on imperialism Lenin pointed out the absurdity of the assurances of bourgeois economists that the wide distribution of shares among a mass of small scale stockholders leads to a "democratization" of capital. At the present time American sociologists and economists go to such lengths in their shameless apologetics that they call the structure of unlimited omnipotence and arbitrariness of monopolies "the people's capitalism" and a "structure of free enterprise."

Acknowledging that the very word "capitalism" is completely discredited in the eyes of the broadest masses of the population, modern advocates of imperialism, such as the American fascist John Burnham, suggest all kinds of new names for the predatory and parasitical capitalist order. In order to paint over the depth and acuteness of the irreconcilable class antagonisms rending the bourgeois society during the period of imperialism, the apologists of monopoly capital propose in renovated form, under the name of "managerism," "corporate structure," etc, crude fictions about "the harmony of the class interests" of the exploiters and exploited.

The apologists of imperialism select from the rubbish heap of history the most reactionary and misanthropic ideas and give birth to theories which were unmasked long ago by the course of social progress. In order to justify the bestial boss methods of imperialists in the colonial and dependent countries and to protect the criminal plans for

winning world domination, use is made of the antiscientific "racial theory" that asserts the existence of allegedly "superior" and "inferior" races.

The predatory conqueror attempts of the imperialists of countries which were too late when the world was being divided and thus consider themselves to be cheated out of their rightful share are justified by the scientific apologists of imperialism by the so-called "Lebensraumtheorie" which declares the territory of neighboring, particularly small and weak, states to be the lawful spoils of greedy conquerors. The racial theory, together with the "Lebensraumtheorie," constituted the main weapon in the ideological arsenal of German fascism. After World War II this fascist ideology found fertile soil in the US, where the massed chorus of hired hacks attempts to deck in scientific clothing the predatory plans of American imperialism.

The misanthropic concoctions of the English priest Malthus, who lived at the beginning of the nineteenth century, have wide popularity in the imperialist countries. Attempting to heap upon laws of nature the responsibility for all the misfortunes to which capitalism dooms the masses of the people, Malthus stated that it was necessary to limit the growth of the working population. Bourgeois science of the era of imperialism makes use of the vile ideas of Malthusianism to preach the necessity and even the beneficence of hunger, epidemics, and especially of imperialistic wars. It glorifies piratical means of carrying out the mass destruction of nations as the panacea of social ills. The widespread popularity of the cannibalistic theories of Malthusianism and

racial exclusion is to a higher degree indicative of the profound marasmus of modern bourgeois science.

Bourgeois economic science of the era of imperialism, in its artificial structures concealed by the tinsel of mathematical formulae, terminological contrivances, and psychological haze, demonstrates complete sterility in the sense of actual recognition of the economic laws of the development of society. Powerless in the face of the great historical phenomena of modern times, bourgeois economic science more and more zealously serves the needs of the monopolistic bourgeoisie in deceiving the masses. This aim is served by the untold expatiations which bourgeois economists give in the most varied forms concerning a "regulated economy." One of these variants was the theory of the guarantee of "complete employment," which was advanced by the British economist Keynes and which found wide popularity among the representatives of bourgeois science after World War II. After the bourgeois economists, the Right Socialist leaders repeated these so-called ideas in every way. They offer as "economic democracy" and "planning" all the measures of the bourgeois state which intensify the power of the monopolies and which guarantee them maximum profits. The increased frequency of economic depressions, the unprecedented acuteness and profoundness of those depressions during the era of imperialism, the multi-million-man armies of unemployed, and the unheard-of increase in the extent to which the overwhelming majority of the workers are not guaranteed the means of existence, all these factors completely refute all apologetic theories.

During the period before World War I and the Great October Socialist Revolution the theoreticians of the Second International, Kautskiy, Hilferding, etc, denied the advent of a new and last stage in the development of capitalism, attempting to poison the working class with illusions concerning the possibility of peaceful development under imperialism. In his work on imperialism Lenin subjected to withering criticism the theoretical stratagems of one of the principal theoreticians of the Second International, K. Kautskiy. In the foreword to the French and German editions of that work, which was written in 1920, Lenin emphasized that in it he devoted special attention to criticizing the theories of Kautskiy, the international ideological current which was represented in Austria by Otto Bauer, in England by MacDonald, in France by Albert Thomas, and in all the countries of the world by a mass of socialists, reformers, pacifists, bourgeois democrats, and priests.

Kautskiy attempted to present the situation as if imperialism is only a special type of the policy of finance capital, a type which is in no way necessarily linked with its economic essence. Kautskiy asserted that imperialism is the product of highly developed industrial capitalism and it consists in the striving of the industrially developed countries to annex more and more agrarian regions to themselves.

Lenin pointed out that this definition is completely antiscientific. He emphasized that Kautskiy, while calling himself a Marxist, was actually taking a step backward as compared with the openly socialist liberal Hobson, whose views

were the model of the feeble petty bourgeois criticism of imperialism. As Lenin pointed out, the definition which Kautskiy gave of imperialism not only is profoundly untrue, but it also serves the principal aim of the system of views running counter all along the line not only to Marxist theory but also to Marxist practice.

The defenders of capitalism have a vital interest in separating imperialist policy from its economic basis, in divorcing monopoly in politics from monopoly in the economy. This divorcing of the policy of imperialism from its economy is the basis of the reformist conclusion, which claims that all it takes is to replace a predatory government by a more peaceful one, and the danger of imperialist wars will disappear.

An offshoot of Kautskiy's theory of imperialism was the conclusion that the domination of monopolies in the economy is compatible with the nonmonopolistic, nonforcible, nonpredatory form of operations in politics, and that the territorial division of the world which had been completed during the era of imperialism is compatible with nonimperialist policy. This meant the glossing over and blunting of the most fundamental contradictions of the monopolist stage of capitalism instead of revealing their depth, and meant bourgeois reformism instead of Marxism.

During World War I this interpretation of imperialism served the opportunists of the Second International as the theoretical basis for ignoring the revolutionary task of the overthrow of the capitalist order and replacing it by the

traitorous policy of saving capitalism and fawning on the bourgeoisie. The Kautskiy falsification of Marxism opened up for the traitors of the working class a broad field for the support of "their own" bourgeois government under the conditions of a predatory war.

Divorcing the policy of imperialism from its economy, Kautskiy actually preached reconciliation with imperialism, since a struggle against the policy of the trusts and banks which does not affect the fundamentals of their economy is an empty phrase. Kautskiy's interpretation of imperialism, which glossed over its economic essence, substituted for the revolutionary policy of overthrowing the capitalist order an opportunist reformist policy having nothing in common with Marxism.

Lenin subjected to devastating criticism the theory of "ultraimperialism" which Kautskiy invented. Kautskiy declared possible the advent of a new form in the development of capitalism, the phase of ultraimperialism, that is, super-imperialism, which in his words is characterized by the uniting of the imperialists of the entire world instead of the struggle among them and the cessation of wars under capitalism. Lenin pointed out that this dead scheme encourages the profoundly erroneous and reactionary idea of the weakening of the unevenness and the contradictions of the world-wide capitalist economy under imperialism. Actually the domination of finance capital does not weaken, but extremely intensifies the unevenness of the development of the capitalist countries. Hence the inevitability of the change in the ratio of forces among

the individual countries, which brings with it the inevitability of wars among them with the aim of the forcible redistribution of the spheres of influence and colonies, the re-division of an already divided world.

Lenin's struggle against the theories of Kautskiy was at the same time a struggle against varieties of those theories which were suggested by the most vile enemies of the working class, Trotskiy and Bukharin. Trotskiyism denied the law of the unevenness of the economic and political development of capitalism during the era of imperialism and the tenet, evolving from that law, the possibility of the victory of the socialist revolution and the construction of socialism first in one country taken separately. Trotskiyism advanced the traitorous slogan "the United States of Europe," which was a concretization of Kautskiy's theory of "ultra-imperialism." This slogan was seized upon by the most rabid imperialists of the Kaiser's Germany during World War I, the most aggressive representatives of French imperialism during the period between the 2 wars, and American claimants to world domination after World War II.

The enemies of the working class, Bukharin and Pyatakov, clothed a variety of the Kautskiy theory of "ultra-imperialism" in the form of a grotesque "imperialistic economism." The divorce of the economy from policy here was monstrously interwoven with the anti-Marxist approach to the role of the political superstructure and state forms in the liberating struggle of the working class. Like Kautskiy, Pyatakov (P. Kiyevskiy) defined imperialism as a "system of politics," attempting to evade an economic analysis. Having unmasked the

anti-Marxist essence of the theory of "imperialistic economicism," Lenin pointed out that only on the basis of thorough economic analysis is it possible to discover and lay bare the roots of the special reactionary nature of the political superstructure of imperialism, and to reveal the reasons for the turn from democracy to political reaction and undisguised oppression during the era of monopoly capitalism.

Lenin completely destroyed the anti-Marxist theory of "pure imperialism" which Bukharin advanced. The theory of "pure imperialism" glossed over the most profound contradictions proper to monopoly capitalism. It ignored the fact that imperialism grows and develops on the basis of old capitalism, that imperialism as a consequence of this does not destroy the principal contradictions of capitalism, the anarchy of production, competition, the markets, depressions, but on the contrary aggravates them to the extreme.

Lenin emphasized with all force that pure imperialism never existed, does not exist, and never will exist without a fundamental basis of capitalism, that imperialism is a special kind of superstructure on top of old capitalism, and that what actually exists is the old capitalism, which in a large number of fields has grown into imperialism.

The theory of "pure imperialism," which Lenin destroyed as long ago as 1915-1919, again floated to the surface in the form of the theory of "organized capitalism," which was preached by the reactionary leaders of the Second International and their Trotskiyite and Bukharinite yes-men. The choruses of that theory which had been unmasked by life long ago are

used to this day by Right Socialist leaders to give the theoretical justification of the betrayal of the interests of the working class and fawning before the financial oligarchy.

One of the varieties of the Kautskiy theory of imperialism was the views of Rosa Luxemburg. Like Kautskiy, she viewed imperialism not as a special stage in the development of bourgeois society, but only as a definite policy of the bourgeois states. Rosa Luxemburg assumed that this policy evolves from the impossibility of the realization of surplus value under the conditions of pure capitalism, that is, in a society consisting only of a bourgeoisie and a proletariat. Subsequently the semi-Menshevik conception of Rosa Luxemburg was used by the Trotskiyites as the basis for the counter-revolutionary conclusion of the automatic failure of capitalism.

The course of history pointed out the great perspicacity of Lenin's struggle against the theories of Kautskiy in all their varieties. Even during World War I Lenin defined the danger of Kautskiyism and revealed the deep social roots of that phenomenon. In the subsequent course of history the most vile enemies of the working class united on the Kautskiy position of toadyism to the bourgeoisie while hiding behind false phrases about "socialism."

After the victory of the Great October Revolution, under the conditions of the overall crisis of capitalism, the Right Socialist leaders frankly declared their break with Marxism and in every way repeated openly the apologetic views of the reactionary bourgeois scientists. The revisionists of the end

of the past and the beginning of the present century still attempt to seize onto individual Marxist formulae and tenets, in order not to appear before the working masses in the naked form of ordinary bourgeois preachers of "social justice" and the "common welfare." As the overall crisis of capitalism develops, the Right Socialist leaders take up arms more and more openly against the Marxist theory of the class struggle and assert that "there are no class contradictions" in modern capitalism. They call "planning" the practice of the broad utilization of the state apparatus in the capitalist country to solidify the monopolies and to assure their precatory profits. Under the flag of "democratic socialism" they preach the crude ideas of class collaboration and class peace, the entire essence of which comes down to the retention and immortalization of the domination of the bourgeoisie. Under the conditions of the unprecedented growth of oppression of enslaved colonial and dependent countries by the imperialist states, the Right Socialist leaders state that "old imperialism was dead." They take the most active participation in the adventurous policy of American imperialism, a policy aimed at enslaving other countries. They attempt to conceal with pseudosocialist and pseudodemocratic phraseology the piratical essence of the delirious plans of the world domination of the Wall Street monopolies. They come forth as accomplices of warmongers advocating a new war, and they conceal and support the piratical deeds of the Anglo-American imperialist bloc.

Just as Marx by his research on capitalism dealt a mortal blow to the bourgeois apologetics and the petty bourgeois criticism of capitalism, Lenin by his Marxist analysis

of imperialism completely unmasked the bourgeois apologetics and petty bourgeois criticism of imperialism.

Revealing the true essence and importance of the shifts which had taken place during the course of the development of capitalism, Lenin was the first to point out that imperialism is capitalism at that stage of development when the domination of the monopolies and of finance capital has taken over, when the export of capital has taken on prominent importance, the division of the world by international trade has begun, and the division of the entire territory of the earth by the gigantic capitalist countries has come to an end. Lenin not only studied these principal economic peculiarities of imperialism, but also was the first to reveal their regular interrelation and interaction.

Thus a crushing blow was dealt to all kinds of petty bourgeois and opportunist illusions about the possibility of "reforming" imperialism by retaining its "good" aspects and eliminating its "bad" ones. Hence the conclusion evolved that all promises to cleanse modern capitalism of its cancers and flaws are charlatanism and deception, and that these flaws and cancers can be eliminated only by overthrowing the power of the bourgeoisie and eliminating the capitalist orders.

Lenin was the first to point out that the deepest roots of the shifts which had taken place during the course of the development of capitalism are in the sphere of production. The principal economic peculiarity of imperialism, its economic essence is the domination by monopolies. New phenomena in the life of capitalist society are nothing else but

different forms in which monopolies manifest themselves. In economic monopoly and in its different manifestations lie the fundamental distinctive characteristics of the highest stage of capitalism. And it is precisely the domination of monopolies which forms the basis of the most critical contradictions of imperialism. The historical place of imperialism with respect to capitalism in general, as Lenin pointed out, lies in the fact that imperialism is monopoly capitalism which, with absolute necessity, has grown up on the basis of the former, premonopolistic capitalism on the strength of its inherent laws of development.

Thus the reactionary and utopian theories of the petty bourgeois critics of imperialism who preached the return all the way back to premonopolistic capitalism were completely demolished. Such theories in the twentieth century are just as unfounded and harmful as in the middle of the past century the Proudhonist ramblings about the return from capitalism to small scale production were. Hence the conclusion evolved that imperialism has no way back to the premonopolistic capitalism of the "good old days," but has only a way ahead, to the socialist revolution of the proletariat, to socialism.

Lenin was the first to point out that imperialism is not only a characteristic peculiarity of the foreign policy of the capitalist great powers, but also that actually the very trend of foreign policy of modern powers is the result of the essential changes which have taken place in the economic basis of the bourgeois society. It is precisely those changes which form the basis of the aggressive foreign policy of the

imperialist powers, the most acute struggle among them, which inevitably leads to armed conflicts on an unprecedented scale. It is precisely those changes which form the basis of the reactionary domestic policy of bourgeois states which are completely subordinate to monopolies.

This completely unmasked the very harmful reformist concoction concerning the possibility of some different, nonimperialistic policy of bourgeois powers during the era of monopoly capitalism, the possibility of a peaceful foreign policy and democratic domestic policy of imperialist states, the possibility of peaceful agreement among imperialists. Hence the conclusion evolved that imperialistic wars are inevitable as long as monopoly capitalism exists, and that there is only one path by which mankind can be saved from perishing in the fire of military catastrophes, and that is the path of eliminating capitalist hired slavery.

Imperialism grew, Lenin pointed out, as a development and direct continuation of capitalism in general. But the transition to imperialism meant the deepening and worsening of all the contradictions of bourgeois society to an extreme degree and the arising of new and critical antagonisms, since certain of the principal properties of capitalism began to develop into their own antithesis. Lenin emphasized that there is no such thing as pure imperialism anywhere and there cannot be. Imperialism would be unthinkable without a broad base of premonopolistic and even precapitalistic forms of economy. Remarking that the most essential peculiarity of imperialism is the existence of monopolies alongside of

exchange, the market, and depressions, Lenin pointed out that it is precisely that combination of antithetical principles, competition and monopolies, which is essential to imperialism, and it is precisely that which prepares for the crash, that is, the socialist revolution. Monopolies growing up out of free competition do not eliminate it but exist on top of it and alongside of it, thus giving rise to a number of especially critical and acute contradictions, frictions, and conflicts.

This unmasked the traitorous conceptions of the enemies of the working class who were attempting to present the omnipotence of monopolies as a means of sparing capitalism from such cancers as destructive competition, the anarchy of production, and depressions. Actually the omnipotence and oppression of monopolies are leading not to "organized capitalism," but to an unprecedented growth of the anarchy and chaotic nature of all capitalist production, to the unprecedented intensification of the competitive struggle, to the monstrous intensification of the destructive force of economic depressions, to the tremendous growth of poverty and the degree to which the masses are unprovided with the means of existence.

All the attempts which the bourgeois scientists and Right Socialist theoreticians undertake in order to "refute" the immortal doctrine of Marxism-Leninism end in miserable failure.

V. CONCLUSION

The entire course of the development of monopoly capitalism during the more than half-century of its existence has completely confirmed the correctness of the Leninist theory of imperialism and the overall crisis of capitalism. Lenin's theory of imperialism and its resultant new, complicated theory of socialist revolution have brilliantly withstood the greatest historical checking under the conditions of an era of an unprecedented rapid and mighty development of human society.

Even at the beginning of the imperialist era Lenin, with his profound Marxist analysis of new phenomena in the development of capitalism, proved irrefutably that capitalism, which until the end of the nineteenth century, was in the period of its rise, became dying capitalism, carrying unheard-of miseries and sufferings to mankind during the era of imperialism. With tremendous revolutionary impassivity Lenin reveals the gaping cancers of monopoly capitalism, which were revealed with special force during the years of World War I. At that time he had already come to the conclusion that the era of comparatively peaceful development of capitalism had passed and that the imperialist war opened up an era of social revolution. Lenin viewed that war as the greatest historic crisis. In the relentless struggle against the traitors of the working class, the social chauvinists who proclaimed the imperialistic war as a "just" war and the "last" one, and the social pacifists who lulled the working class with false promises to eliminate wars but preserve imperialist capitalism, Lenin, with all his revolutionary passion, summoned the working class to the last

and decisive battle against the bourgeoisie, to overthrow the oppression of capital and the yoke of imperialism, which meant destructive wars and unheard-of devastations. Capitalism had developed such productive forces, Lenin pointed out during the years of World War I, that mankind had either to change to socialism, or to undergo for years or even decades the armed struggle of the imperialist powers for the artificial preservation of capitalism at the price of robbing colonies, guaranteeing high profits for monopolies, consolidating the privileges of the ruling nations, and intensifying all kinds of national oppression. On the eve of the Great October Socialist Revolution Lenin emphasized with all force that mankind had to make the decision either to perish or to deliver their fate to the most revolutionary class for the most rapid and radical transition to the highest means of production, that is, to socialism.

When Lenin was creating his theory of imperialism, the capitalist order was ruling unchallenged in the entire world and the servants of the bourgeoisie were asserting in every way that this order was eternal and unshakable. But by 1917 the Great October Socialist Revolution broke through the front of imperialism, and opened up a new era in the history of mankind. In practice it destroyed the inventions of the ideologists of the bourgeoisie concerning the immortality of capitalism and made the rectitude of Marxism apparent to all. Capitalism ceased being the only and all-encompassing system of world economy. The new socialist system sprang up alongside the capitalist system and began to grow rapidly. By its prosperity and success this socialist system emphasizes the

rotteness and the doom of a capitalism which has had its day.

The modern stage of the development of capitalism is characterized by the sharp intensification of the crisis of the colonial system. Under the mighty blows of the national liberating movement, the colonial system of imperialism, that monstrous prison of nations, is falling apart. The great Chinese nation in its unselfish struggle won the freedom and independence of its homeland. It is fully resolved to convert China into a mighty socialist power. Every day sees the expansion and strengthening of the liberating struggle of all the oppressed nations against the forces of imperialist reaction and colonial enslavement, and for their freedom and national independence. The world does not know a force that can turn back the wheel of history.

In our day the camp of peace, democracy, and socialism unites 900 million people in countries which have fallen out of the capitalist system, with many hundreds of millions of people in countries still subject to capital. "The camp of peace, democracy, and socialism, headed by the Soviet Union, at the present time represents a gigantic force which every day has its influence upon the entire course of international life" (N. S. Khrushchev, Rech' na sobranii izbirateley Kalininskogo izbiratel'nogo okruga goroda Moskvy 6 marta 1954 g. /Speech at a Meeting of the Voters of Kalinin Voters' Okrug, City of Moscow, 6 March 1954/, 1954, Gospolitizdat, page 16).

The conclusion of the inevitability of the final victory of the working class and of socialism evolves with iron logic

from the Leninist theory of imperialism and the overall crisis of capitalism. On the basis of his scientific analysis of imperialism Lenin foresaw that the gigantic majority of the world's population would, with uncommon rapidity, be drawn into the struggle for their liberation, that in that sense there could not be even a shadow of doubt about what the outcome of the world struggle would be, and that in that sense the final victory of socialism was completely and unconditionally assured. This conclusion is being confirmed by the entire course of history.